Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

September 8, 2006

Dear Commissioners:

Briefing materials for the **Thursday, September 14, 2006** Commission meeting are enclosed. You will find the minutes of the July meeting posted on ORDC's website at www.dot.state.oh.us/ohiorail.

The meeting will be held in the Vern Riffe Center, 31st floor, Room South B and C, beginning at 10:00 a.m.

If you haven't already done so, please contact Stu Nicholson to confirm your attendance. You may reach him at 614/644-0513 (telephone) or at stu.nicholson@dot.state.oh.us.

We look forward to seeing you at the meeting.

Sincerely,

James E. Betts
Chair

Enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION
MEETING AGENDA

Thursday, September 14, 2006 @ 10:00 a.m.
Vern Riffe Center, 77 South High Street, 31st Floor
Columbus, Ohio

CALL TO ORDER – James E. Betts, Chairman

- Welcome
- Roll Call
- Approval of Minutes from July Meeting

EXECUTIVE SESSION – Replacement of Executive Director – Jim Betts

RETURN TO OPEN SESSION
Resolution 06-12 Appointment of Acting Executive Director – Jim Betts

FINANCE REPORT – Matt Dietrich

APPROVED PROJECT BRIEFINGS
Crane Plastics – Bev Lee

OLD BUSINESS

NEW BUSINESS
Glass Rock Branch ROW Clearing and Appraisal – Lou Jannazo
Recognition for Retirement of Jim Seney

PUBLIC COMMENT

ADJOURN

RESOLUTION 06-12

Re: Appointment of Acting Executive Director.

WHEREAS, James E. Seney, the Executive Director of the Ohio Rail Development Commission ("ORDC") resigned on August 31, 2006; and

WHEREAS, the effective and efficient operation of the ORDC necessitates the appointment of an acting Executive Director; and

WHEREAS, Sections 4981.02(C) and 4981.14(B)(9) authorizes the Commission of the ORDC to employ an Executive Director and to establish the terms and conditions of such employment; and

WHEREAS, the Commissioners of the ORDC have determined that Matthew Dietrich has the appropriate experience;

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

- Matthew Dietrich is hereby appointed as acting ORDC Executive Director and is charged with the powers and duties set forth in Article IV, Section 3 of the ORDC bylaws and shall also continue to serve as Secretary-Treasurer of the ORDC effective September 3, 2006.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

James E. Betts, Chair	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Howard Wood for Gordon Proctor	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Barbara Hammontree Bennett	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Eric Neff for Bruce Johnson	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Solomon Jackson	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Thomas McOwen	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Larry Sowers	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Herk Wolfe	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Dan Roberts	____ yes	_____ no	_____ absent	_____ abstained	____ Recused
Jim Hartung	____ yes	_____ no	_____ absent	_____ abstained	____ Recused

ORDC ACTION: Motion approved ____ Other action _____
Motion denied ____ Date 9/14/06

CERTIFICATE

I, the undersigned Chairman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/14/06
James E. Betts, Chairman Date

MEMORANDUM
September 14, 2006

TO: ORDC Commissioners

FROM: Matthew Dietrich

SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from July 20, 2006 to September 14, 2006:

1. Financial Statements prepared for September 2006.

2. For FY 2007, ORDC collected a total of $147,863.22 and has expended $45,183.89 through August 31, 2006.

3. Staff has submitted the RRIF loan application to the FRA for the Panhandle Rail Line.

4. The Executive Director entered into a contract with TEMS in the amount of $9,966. The scope of work for that contract is as follows: Prepare a review from existing passenger and freight studies of the current trends in highway and rail traffic, the likely capacity issues and bottlenecks and major traffic flow growth rates. The freight analysis will consider both trade and domestic traffic as it evolves over the next fifty years, and the passenger analysis will use the output of the Ohio Hub passenger rail study. Evaluate the likely location of major bottlenecks on the existing highway and railroad networks, and identify the likely level of mitigation by upgrading existing rail networks, and developing a Great Lakes and St. Lawrence Seaway water option. These options will consider the potential rail connections and location of inland multimodal facilities as well as the role of the Ports of Toledo and Cleveland as gateways to the Great Lakes and St. Lawrence Seaway water option. Given the potential alternatives to the use of the existing networks, choke points and bottlenecks provide a comparison of alternative route times and costs to show the level of route competitiveness. Specifically assess the relative level of competitiveness offered by new alternatives and select the most effective options. Identify a preferred "Ohio Hub solution" and develop a set of implementation steps. Assess the level of benefits that Ohio can derive from the implementation of the "Ohio Hub solution" alternative routes and facilities, that are needed to offset congestion problems in the existing transportation networks. This will include productivity and spending benefits such as jobs, income, property values, tax base and specific mode and location benefits. Prepare a presentation identifying the results of Tasks 1-4; provide maps, graphs and charts to show both existing bottlenecks and the alternative options. Provide an executive report of the benefits to Ohio of implementing the trade and traffic strategy of the "Ohio Hub solution."

5. Staff has resolved the Swinehart Insurance lease issue on the Ohio Southern Rail line property transfer. Swinehart Insurance has exercised their right of first refusal. The

Swinehart's purchased the property for $1,000. Alan Klodell has been working with the State Auditor's office to complete all documents necessary for the transition of the line. At the current time, the AG's office is waiting for comment from the OSR's legal counsel on the deed documents and the signed purchase and sale agreement from Swinehart. I would like to take this opportunity to formally thank ODOT District 5 Deputy Director Myron Pakush and Tom Andrews, Survey Operations Manager, who provided all of the field work necessary to finalize the documents for Swinehart Insurance.

6. As report to the Commissioners, Carload Express, the parent company of Camp Chase Railroad, has declined the $1,000,000 loan approved by Resolution 06-07 at the May Commission meeting. Upon further review, Carload Express determined that it could move forward with the yard rehabilitation portion of the project without the assistance of the Rail Commission. Those funds will now be available for other loan projects. Camp Chase will still utilize the $150,000 grant for the $351,230 tie replacement program on the line.

7. As an attachment to the finance report, please find a DRAFT copy of the Director's summary for the FY 2008-2009 budget. This Director's summary provides an overview of the agency's mission, goals and challenges both in the current and upcoming biennium. It is due to OBM on October 2. ORDC staff hopes to finalize all of the budget documents and get them to ODOT Accounting for processing sometime in the next week. If you have any comments or suggestions, please do not hesitate to contact me. Also attached, is a copy of the budget appeal letter that was already submitted to OBM to request an additional $2 million GRF-appropriation. To date, ORDC staff has not received a response from OBM.

8. Also, please find attached to this report, several items compiled by Stu Nicholson for Commissioner's review.

OHIO RAIL DEVELOPMENT COMMISSION: September 14, 2006 Finance Report

GENERAL REVENUE FUND (GRF) APPROPRIATION AUTHORITY
September 2006 - Fiscal Year 2007

GRF APPROPRIATION AVAILABLE FOR PROJECTS AND PERSONAL SERVICE CONTRACTS			
GRF APPROPRIATION FOR PROJECTS			**1,700,000**
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
City of Lima - Greater Ohio Ethanol	200,000		
Coshocton Ethanol, LLC	250,000		
Farmers Ethanol	200,000		
Cleveland Commerical Railroad	56,510		
Southgate Company	30,000		
TOTAL	*736,510*	*-736,510*	
PROPOSED GRF COMMITMENTS FOR FY 2007			
Crane Plastics	80000		
TOTAL	*80,000*	*-80,000*	
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***883,490***	
GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS		**75,000**	
GRF COMMITMENTS FOR FY 2007 TO DATE	57,867		
TEMS	9,966		
TOTAL	*67,833*	*-67,833*	
BALANCE OF GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS		***7,167***	
RAIL TRANSLOAD FUNDS AVAILABLE FOR FY 2007		**400,000**	
FUND 3B9 (FEDERAL) AVAILABLE FOR FY 2007		**4**	
RAIL FUND 4N4 - REVOLVING LOAN FUND			**5,510,938**
LESS: OPEN ENCUMBRANCES	826,953		
LESS: PANHANDLE RESERVE FUND	764,400		
TOTAL	*1,591,353*		*-1,591,353*
FISCAL YEAR 2007 APPROPRIATION		**2,111,500**	
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	132,218		
LESS: CONFERENCE EXPENSES	2,170		
LESS: OPEN ENCUMBRANCES FY 2007	0		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED	0		
Farmers Ethanol	500,000		
TOTAL	*634,388*	*-634,388*	*-634,388*
Proposed 4N4 Commitments for FY 2007			
TOTAL	*0*	*0*	*0*
APPROPRIATION BALANCE OF FUND 4N4 AVAILABLE FOR PROJECTS		***1,477,112***	
BALANCE OF FUND 4N4 AVAILABLEW/ CONTROLLING BOARD APPROVAL			***3,285,197***
TOTAL ORDC FUNDS AVAILABLE FOR PROJECTS - FY 2007		**2,435,606**	

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
For Month Ending August 31, 2006

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	850,000.00	0.00	0.00	850,000.00	0.00	0.00	850,000.00	100.00%	GRANT (Community/Railroad) - SUBSIDY
GRF	4FA7	STATE	850,000.00	0.00	0.00	850,000.00	0.00	0.00	850,000.00	100.00%	GRANT (Private Industry) - CAPITAL
GRF	4651	STATE	761,782.00	0.00	0.00	761,782.00	53,907.16	126,859.86	581,014.98	76.27%	PAYROLL / PERSONAL SERVICE
GRF	4652	STATE	235,718.00	0.00	0.00	235,718.00	64,242.00	33,573.05	137,902.95	58.50%	OFFICE EXPENSE
GRF	4653	STATE	2,500.00	0.00	0.00	2,500.00	0.00	0.00	2,500.00	100.00%	OFFICE EQUIPMENT
GRF	4665	STATE	789,600.00	0.00	0.00	789,600.00	180,000.00	0.00	609,600.00	77.20%	ODOT GRADE SEPARATION
	FUND TOTAL		**3,489,600.00**	**0.00**	**0.00**	**3,489,600.00**	**298,149.16**	**160,432.91**	**3,031,017.93**	**86.86%**	**FUND TOTAL - GRF**
002	4FN7	FEDERAL	1,515,375.00	3,854,924.28	0.00	5,370,299.28	151,689.90	27,675.00	5,190,934.38	96.66%	GRADE CROSSING PAVEMENT
002	4FP1	FEDERAL	484,625.00	0.00	0.00	484,625.00	0.00	96,704.67	387,920.33	80.05%	GRADE CROSSING SAFETY'S PAYROLL
002	4FP7	FEDERAL	11,000,000.00	5,851,309.97	0.00	16,851,309.97	5,499.83	296,214.60	16,549,595.54	98.21%	GRADE CROSSING DEVICES
	FUND TOTAL		**13,000,000.00**	**9,706,234.25**	**0.00**	**22,706,234.25**	**157,189.73**	**420,594.27**	**22,128,450.25**	**97.46%**	**FUND TOTAL - 002**
3B9	8FB5	FEDERAL	10,000.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	100.00%	FEDERAL RAIL - SUBSIDY
	FUND TOTAL		**10,000.00**	**0.00**	**0.00**	**10,000.00**	**0.00**	**0.00**	**10,000.00**	**100.00%**	**FUND TOTAL - 3B9**
4N4	6FC9	LOCAL	1,972,782.00	0.00	0.00	1,972,782.00	0.00	0.00	1,972,782.00	100.00%	RAIL TRAN - LOANS
4N4	6FD9	STATE	764,400.00	0.00	0.00	764,400.00	0.00	0.00	764,400.00	100.00%	PANHANDLE LEASE PAYMENT
4N4	6111	LOCAL	132,218.00	0.00	0.00	132,218.00	0.00	31,406.62	100,811.38	76.25%	PAYROLL(PROPERTY MGNT)
4N4	6112	LOCAL	6,500.00	0.00	0.00	6,500.00	0.00	2,170.00	4,330.00	66.62%	OHIO HUB WORKSHOP
	FUND TOTAL		**2,875,900.00**	**0.00**	**0.00**	**2,875,900.00**	**0.00**	**33,576.62**	**2,842,323.38**	**98.83%**	**TOTAL - OTHER ASSISTANCE**
	GRAND TOTAL		**19,375,500.00**	**9,706,234.25**	**0.00**	**29,081,734.25**	**455,338.89**	**614,603.80**	**28,011,791.56**	**96.32%**	

ORDC - Loan Payback (Active Loans)
September 1, 2006

	Loans	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Application, Loan, Interest & Admin. Fees	Total Payments
FY01 Walton Agri-Service **	$460,551	$6,863						*$46,174*	*$506,725*
FY01 BG Foundation **	$115,000	$1,698						*$12,640*	*$127,640*
FY01 Graves Lumber **	$26,000	$951						*$4,110*	*$30,110*
FY02 W&LE (Nickles Bakery) *	$265,500	$28,234						*$27,254*	*$292,754*
FY02 City of Jackson (Warehouse)*	$143,599	$15,660						*$16,989*	*$160,588*
FY02 City of Jackson (Rehab)*	$123,501	$17,469						*$21,719*	*$145,220*
FY03 Cloverleaf Cold Storage *	$328,000	$68,245	$33,662					*$14,900*	*$342,900*
FY03 Portage Cty Solid Wst Mgmt. *	$80,000	$16,206	$16,495	$16,495	$16,495	$9,622		*$3,279*	*$83,279*
FY04 Ann Arbor Railroad *	$768,736	$162,274	$162,274	$81,137				*$42,295*	*$811,031*
FY04 Columbiana County Port Authority *	$2,048,047	$170,671	$418,172	$426,736	$430,072	$433,408	$216,704	*$69,216*	*$2,117,263*
FY04 W&LE (Valley Line)*	$400,000	$10,680	$10,680	$408,900				*$57,277*	*$457,277*
FY04 Maumee & Western *	$199,088	$28,191	$29,392	$29,502	$29,502	$29,502	$17,209	*$8,460*	*$207,548*
FY05 Seneca-Sandusky-Tiffin Port Auth*	$290,000	$60,681	$61,217	$61,217	$61,217	$10,203		*$16,267*	*$306,267*
FY05 Ashland RW (Mansfield Yard Rehab)*	$500,000	$106,935	$106,935	$106,935	$106,935	$8,911		*$41,285*	*$541,285*
FY05 I&O (Fulton County Processing, Ltd)*	$242,335	$52,681	$52,681	$52,681	$52,681	$8,780		*$24,266*	*$266,601*
FY06 Portage County Rail Line (Smurfit Stone)*	$20,000	$4,348	$4,348	$4,348	$4,348	$2,174		*$2,489*	*$22,489*
FY06 Cleveland Commercial Railroad*	$16,421	$3,405	$3,574	$3,574	$3,574	$2,085		*$1,979*	*$18,400*
FY06 Shenandoah Valley Realty ***	$650,000	$97,500	$140,978	$144,637	$144,637	$144,637	$36,159	*$65,550*	*$715,550*
	$6,676,778	**$852,690**	**$1,040,408**	**$1,336,161**	**$849,460**	**$649,322**	**$270,073**	*$476,148*	*$7,152,926*

Loan Amount Received to Date: **$145,955**
Loan Balance Due: **$609,235**

* Loans Closed (Active)
** Loans Paid Off
***Loans in Process

MEMORANDUM
October 2, 2006

TO: Timothy S. Keen, Director
Office of Budget and Management

FROM: _____, Executive Director
Ohio Rail Development Commission

SUBJECT: Director's Summary -
Fiscal Years 2008-2009 Biennium Budget Request

CURRENT SITUATION

The Ohio Rail Development Commission (ORDC) is an independent agency within the Department of Transportation directed to develop, promote, and support safe, adequate, and efficient rail service throughout the state. (ORC §4981.03) ORDC's mission is "(t)o plan, promote and implement the improved movement of people and goods faster and safer on a rail transportation system connecting Ohio to the nation and the world." ORDC sees Ohio's rail transportation system as an integral part of a multimodal transportation network enhancing Ohioans' economic development and quality of life.

As an independent agency, ORDC works closely with other transportation, regulatory and development agencies at the federal, state and local levels. Through this cooperation, ORDC is uniquely positioned to recognize, investigate and act upon rail-related development, safety and infrastructure opportunities in a timely, efficient manner. ORDC has evolved into a "one-stop" clearinghouse of information and assistance for Ohio communities and businesses on rail-related issues.

SAFETY FIRST The largest portion of ORDC's budget is dedicated to safety. ORDC administers $15 million of federal highway funds annually for highway-railroad grade crossing safety projects, crossing surface reconstruction and highway-railroad grade separation projects. In Fiscal Year 2006, ORDC funded 70 light & gate projects at highway-railroad grade crossings, 10 grade crossing closures, and 34 surface reconstruction projects. Additionally, ORDC's highly experienced technical staff assisted ODOT districts and local governments on highway projects involving rail grade crossings.

One of the most visible activities of the Commission is its direct assistance for rail projects. ORDC provides financial assistance in the form of loans and grants to railroads, businesses and communities for rehabilitation, acquisition and construction of rail and rail-related infrastructure. Since FY 2001, ORDC freight rail programs have positively impacted 156,000 jobs in Ohio,

preserved 28 miles and rehabilitated 265 miles of rail line and helped secure 120,000 rail carloads of freight.

Preserving Ohio's rail infrastructure must be a priority if we are to improve and expand freight and passenger rail service. In order to preserve rail infrastructure, ORDC and its predecessor agencies often had no choice but to purchase rail lines for preservation. As a result, ORDC maintains and administers 240 miles of state-owned rail line and all related licenses, easements, and rented properties associated with this land. Where applicable, ORDC has contracted with rail carriers to operate the lines. These carriers are proving there is not only economic life left in these rail lines, but significant potential for growth as well. Despite these successful efforts, there are still rail properties "at risk" in Ohio that are in danger of being lost. ORDC's objective is to prevent the loss of the potentially viable rail properties in the state. One change in the program occurred during the current biennium. ORDC divested its ownership of the Ohio Southern line. This property transfer marked the successful conclusion of a rehabilitation project initiated in the late 1990's which restored service to the line and was instrumental to the development of a new rail-served coal mine in southeast Ohio.

Because of ORDC's ability through the Ohio Revised Code to enter into public-private partnerships, the ORDC has also developed a role beyond providing direct financial assistance for rail projects. Within the last biennium, ORDC has worked with ODOT, the Columbus Airport Authority and Norfolk Southern on the Rickenbacker Intermodal Yard in Central Ohio and with Norfolk Southern on the Heartland Corridor, a Project of National Significance in the most recent federal transportation bill. ORDC has been involved with the Heartland Corridor since it jointly funded a feasibility study with the State of West Virginia in 2003. The Heartland Corridor is a project that will modify the bridges and tunnels on rail line so that double stack container trains can travel between the Port of Norfolk and the Rickenbacker facility. While the majority of the work is needed in West Virginia and Virginia, the economic potential of this project to Ohio is enormous as it gives the state direct shipping lanes to a major Atlantic coast port. Norfolk Southern is investing $55 million and received an additional $95 million of federal appropriations for the project. ORDC is providing $836,355 to Norfolk Southern for the elimination of the clearance issues in Ohio. In another public private-partnership, ORDC is the sponsor of an Ohio Department of Transportation, Transportation Review and Advisory Committee application on behalf of CSX for rail system improvements and the construction of a new intermodal yard adjacent to its existing Parsons Yard site in Columbus. ORDC has also agreed to receive and administer Congressionally-directed Appalachian Regional Commission funds for rail line improvements to a new coal mine in southeast Ohio.

ORDC has provided its assistance on several occasions within the last year as a neutral third party for railroads and shippers to meet to resolve service related issues. While taken in isolation, these issues may seem small, but in many cases these issues have ramifications to the local and regional economies beyond a single company. Successful resolution to such issues often has broader impacts to future viability of rail lines in the state or to broader sectors of the state economy.

The Ohio Hub Passenger Rail and Freight Improvement Program has advanced considerably with a successful public and agency involvement effort that spanned calendar years 2004 – 05. This outreach effort has continued with further public presentations of the plan for passenger rail and expanded capacity for freight rail service. The ORDC has also undertaken two additional studies to advance and expand the Ohio Hub system plan, including a detailed, statewide economic impact study and a study to add three additional routes to the system plan: Routes serving Columbus-Pittsburgh; Columbus-Chicago; and Columbus-Toledo-Detroit. Both studies are expected to be complete within the current calendar year 2006 and a revised Ohio Hub System Plan is expected to be released in early 2007. Ultimately, ORDC must keep the planning process moving forward with the goal of having an *Ohio Hub Final System Plan* that is both funding-ready and meets federal environmental requirements.

Beyond the authority granted in the Ohio Revised Code, it has been the outstanding work of its staff that has earned the ORDC the familiarity and trust of railroads, shippers, other state and local government officials that allow it to perform its work.

Rail has always been important to Ohio's economy. The recent volatility of energy costs has emphasized the need for transportation options for the citizens and businesses in Ohio. In this environment rail provides a much need alternative to improve the State's overall infrastructure and economy. ORDC has and will continue to do its part to help Ohio's economy and mobility, but there is much more to do.

CHALLENGES FOR FY 2008 and 2009

Operational Challenges

Both grant money for projects and operational expenses of the Commission come from the GRF-portion of ORDC's budget- the most difficult funding to obtain. ORDC was successful in its efforts to implement an ERI and to shift eligible payroll to non-GRF sources. As the workload increases with a reduced staff, ORDC is looking to technology to ensure continued flow of work. As an example, when ORDC computers were upgraded to maintain compatibility with ODOT servers, laptops with wireless technology were purchased for field staff. Unfortunately, ORDC is becoming a victim of its own success. Because of the items above, in FY 2008-2009, the only area left to absorb any additional operational costs will be the grant funds. That is why it is critical that OBM approve ORDC's request for 103% funding for FY 2007-08. This money with be committed to rail and rail-related grant projects.

Programmatic Challenges

Safety

The safety section will be facing some major issues in the new biennium.

Changes to Passive Warning Device Standards: ORDC is anticipating a change in the 2008 Manual of Uniform Traffic Control Devises (MUTCD) that will affect existing passive railroad crossing warning devices, or crossbucks. The MUTCD changes will modify the device from the

standard crossbuck to a crossbuck assembly with stop and yield signs. Such a change will be costly to bring the roughly 2,400 crossings in the state into compliance with the new rules.

Construction Costs: Like the rest of Ohio's transportation infrastructure, ORDC is facing two critical issues affecting its program as it moves forward: an aging infrastructure and increased construction costs. On a system-wide basis, high priority crossings that were funded in the early 1970's are becoming antiquated and will need to be updated. ORDC faces the same increased costs that ODOT is experiencing for construction materials. Additionally, the technological advancements in signal system technology that make warning devices more effective, are also driving up the costs of new warning device projects.

Crossing Closures: Since the safest crossing is one that doesn't exist, the elimination of redundant crossings has become a federal and state priority. These projects are often untraditional in the fact that they require work outside railroad and/or public right of way and require additional environmental and regulatory oversight. Unfortunately, the ORDC and local officials do not have adequate resources in terms of staff time and expertise to handle the complex processes required in these circumstances.

Freight Rail Assistance

One of the biggest challenges for the ORDC is assessing the loan and grant program needs for track rehabilitation. Staff works closely with Ohio railroads and strives to understand their future needs for State assisted track rehabilitation and construction projects. However, ORDC can only reflect potential projects for which the railroads or rail line owners have made know to the Commission at this time. Therefore, the list is far from complete. In the next biennium, ORDC anticipates at least 11 projects totaling over $15 million seeking state assistance. These projects comprise five bridges and over 187 miles of track serving numerous shippers with over 16,000 jobs. ORDC also anticipates the following areas requiring special consideration in the next biennium:

Bridge Repair and Replacement: ORDC has seen more requests for assistance for bridge repairs in the last biennium than in the previous 10 or 20 years. The reason is simple. The bridges built during the railroading boom at the turn of the last century and into the 1920's are now 80 or 100 years old.

Increased Train Car Weights: The large Class I railroads have increased the weight of their standard rail cars and the track structure to handle them from 263,000 lbs. to 286,000 lbs. Class I's experience great benefit from the larger cars because it takes fewer cars to move the same amount of traffic. Unfortunately the smaller regional and short line railroads do not have the same economies of scale as the Class I's, but must still incur the full infrastructure costs, both in construction and on-going maintenance, to make their system compatible.

The ORDC Economic Development/Rail Spur Program is driven by private sector decisions to locate or expand in Ohio and ORDC can only use previous fiscal years as an indicator of what it

can anticipate in the future. However, there are three types of projects that require long lead times to implement that provide ORDC a reasonable estimate rail needs in those categories.

Ethanol Projects: In FY 2006 – 2007, ORDC has committed to provide $900,000 to four ethanol projects. It appears that ORDC will be called on to provide funding for 3 or more ethanol plants in the next two years. ORDC's role in these projects has evolved into off-site rail infrastructure improvements that are necessary for the plants connect to the rail network. Of the four ORDC commitments to date, only one is for on site infrastructure. For example, ORDC is providing the City of Lima $200,000 to help it construct nearly a mile of off site rail needed to serve the new Greater Ohio Ethanol plant. Similarly, ORDC is committed to providing $1,000,000 in off site rail to help the Village of Leipsic and Putnam County provide about 3 miles of needed off site rail costing about $3.6 million. And for Harrison Ethanol, ORDC is providing $700,000 to help rebuild 6 miles of an out of service rail line.

Intermodal Terminals: In 2006, about 40% of the traffic handled by American railroads has been container and trailer intermodal traffic. (Containers and trailers are handled by rail for the long haul with trucks providing local pick up and delivery.) Not surprisingly, Ohio's position in the heart of the country makes it a very good platform for intermodal traffic. As mentioned earlier, ORDC is currently involved with three intermodal projects, the Rickenbacker Intermodal Yard, the CSX Parsons Yard and the Heartland Corridor project. ORDC is currently investigating several other opportunities with local communities and railroads for proposed intermodal facilities which could come to fruition in the next two to three years.

Bulk Transload Intermodal Terminals: In addition to the growth in intermodal, there has been significant growth in the area of rail – truck and rail – river – truck bulk transload facilities. There are many instances where businesses need bulk commodities such as plastic resins, coal, and aggregate, but do not have direct access to a rail line. Bulk transload terminals using pneumatic equipment provide the advantages of long haul rail with the flexibility of short haul trucking for pick-up and delivery.

Passenger Rail Planning

With the development of the Ohio Hub Plan, the state has a guide for its passenger rail planning activity in the upcoming biennium. The short-term activities will include a continuation of many of the activities currently underway such as review of Ohio's railroad system to identify critical rights-of-way and facilities that would otherwise be lost to potential sale, abandonment, or encroaching development and identification of freight railroad bottlenecks and impediments that will need to be addressed and mitigated to improve the movement of passenger and freight trains.

The next major step is to advance the Ohio Hub Plan into the Programmatic Environmental Impact Study (PEIS) phase. The two-year PEIS process will resolve decisions regarding routes and station locations, railroad capital improvements and costs, community priorities, and it will determine how to avoid and mitigate environmental impacts. Public involvement will play a critical role in shaping the plan as it moves forward. Completion of the PEIS would put ORDC in a position to seek a "Record of Decision" (ROD) from the Federal Railroad Administration

(FRA). Presuming federal funding is available; a ROD would allow engineering design, construction and eventual operation of the Ohio Hub system to begin.

PROGRAM PRIORITIES

Given the challenges ORDC is facing in the upcoming biennium, the priority of the Commission will be to maintain its momentum of the current biennium. The safety section will continue to work with the railroads to identify rail corridors which present cost sharing possibilities for safety projects while continuing its obligation to fund crossings based on the FRA formula-based hazard index.

Realizing that ORDC's programs and assistance can mean the difference between a company locating within Ohio or in another state or country, ORDC's top priority of its freight program continues to be assistance with rail-related economic development projects that retain or produce the jobs and investment in the state. Using the current ODOT railroad bottleneck study as a guide, ORDC hopes to be able to continue to refine the public benefits of the rail assistance in the state. ORDC will continue to work with the railroads in the state to identify public-private partnership opportunities to retain and improve the rail infrastructure.

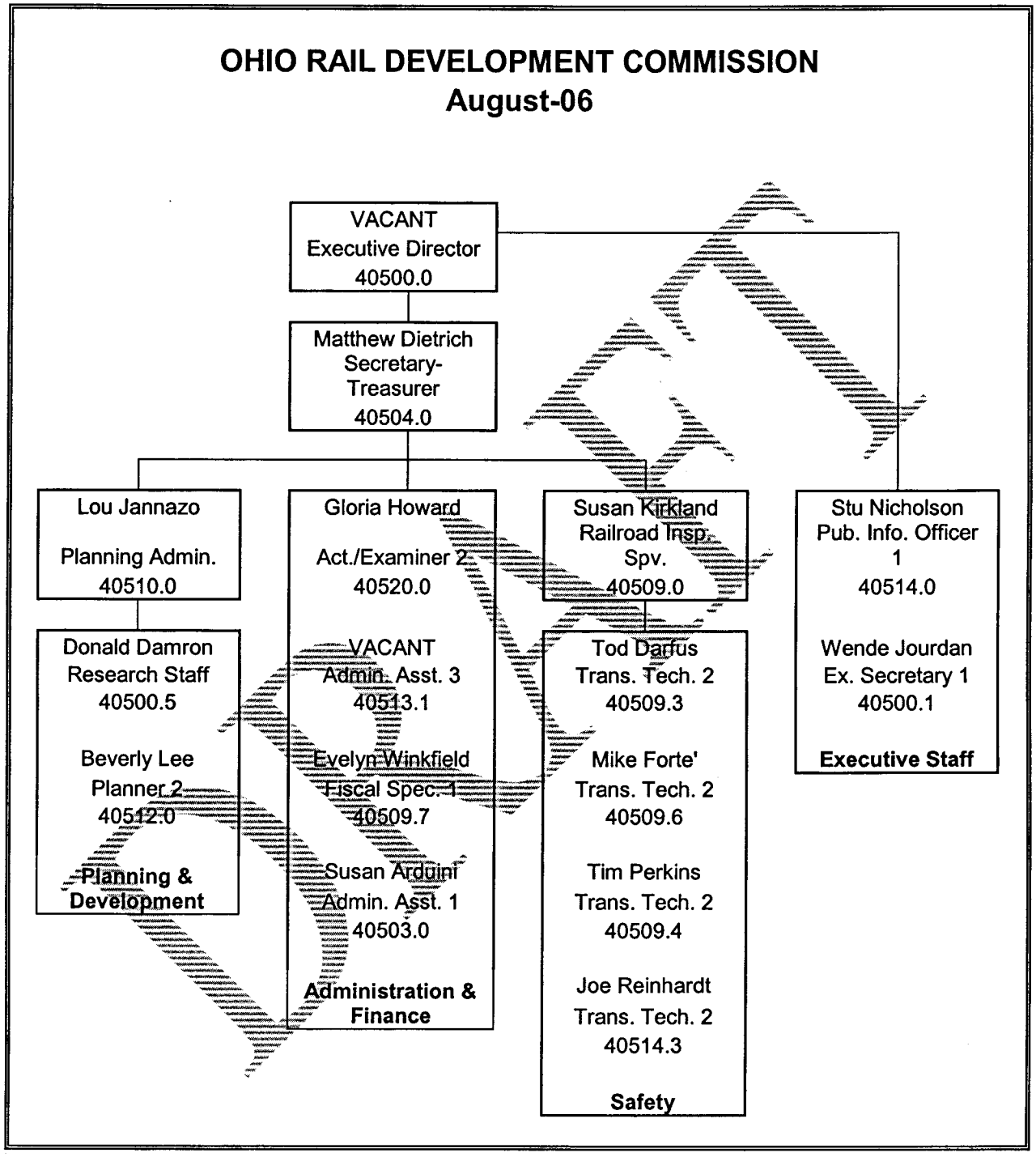
One of the new initiatives of the Rail Commission in FY 2008-2009 will be partnering with local governments in regard to potential passenger station locations. ORDC studies have identified large potential economic benefits to cities for development in and around proposed train stations. ORDC staff has begun working with local officials to advance and support local station area long term planning efforts. The purpose of this initiative is to ensure that the rail corridors and station locations are remain viable in the long term.

OPERATIONAL PRIORITIES

ORDC is pursuing an alternative financing structure from the Federal Railroad Administration for the state's largest rail asset, the Panhandle Rail line connecting Columbus to the Ohio River. If this effort is successful, it would provide a revenue stream to begin to address some of the large, long-term capital projects that will be need the line. Additionally, ORDC staff is continually working with bicycle trail groups on corridor preservation where there are no other viable rail alternatives to preserve the corridor.

Because of the previous ERI, there are no plans to change staffing levels during the FY 2008-2009 biennium.

TABLE OF ORGANIZATION



7

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

MEMORANDUM

TO: Tim Keen, Director, Office of Budget and Management
FROM: Jim Seney, Executive Director, Ohio Rail Development Commission
SUBJECT: Ethanol Projects' Impact on ORDC's Budget
DATE: August 24, 2006

Director Keen,

Please accept my apologies in this late appeal request. The ORDC had been pursuing other avenues due to the immediate need, but those efforts were unsuccessful. As a result, I request that OBM consider this appeal for it grant program.

Many new ethanol projects are starting to spring up around Ohio and all of them need effective rail service. In keeping in line with the Governor's priorities, ORDC has gladly been providing rail incentives to encourage the building of more new ethanol plants.

It is becoming increasingly clear, however, that continuing to provide rail incentives will soon break ORDC's small budget. For FY 2007, ORDC has just over $1.7 million in GRF funds for grants. This grant funding is meant to assist short line and regional railroads with critical projects and to provide incentives for ethanol plants or any other type of rail-dependent business looking to expand or build anew in Ohio. To date, ORDC has committed $650,000 in FY 2007 funds for ethanol projects; i.e. $250,000 for Coshocton Ethanol, $200,000 for Greater Ohio Ethanol in Lima, and $200,000 for Harrison Ethanol in Cadiz. Further, ORDC was recently approached to assist with two other new ethanol plants, an Anderson's facility planned for Greenville and a Broin facility planned for Leipsic. If ORDC were to provide $200,000 for each of these projects, our total expenditures for ethanol projects for FY 2007 would be $1.05 million out of our $1.7 million budget, or 62% of our 2007 funds.

If the rail incentives ORDC provided were the difference between ethanol plants locating in Ohio or not, I would not hesitate to continue full speed with rail incentives. But looking at the high costs of new ethanol plants, $60 million minimum, as well as the high costs associated with rail infrastructure, the small amount of grant funds ORDC can provide for ethanol projects is akin to the icing on the cake compared to what other agencies provide and what is needed for rail.

For example, the Broin project in Leipsic will require $3.7 million in off site rail alone. An ORDC grant of $200,000 would account for only 5% of the off site rail costs. Similarly, for the Coshocton project, ORDC's $250,000 grant will only cover 13% of the $1.925 million in on site and off site rail costs. And ORDC's $200,000 grant for the Greater Ohio project will only account for 8% of the $2.550 million in total rail costs.

Comparing ORDC's rail grants to total overall project costs for ethanol plants is instructive. A $250,000

rail grant is only 0.4% of total project costs.

We need an additional $2 million in budget funding or access to a larger "common pot" of money. I am hopeful that in considering this increase in ORDC grant funding, my agency could better respond to these and other priority projects.

If you have any questions, please do not hesitate to contact me at 728-9497. Thank you for your time and consideration.

NEWS

OHIO RAIL DEVELOPMENT COMMISSION

50 W. Broad Street, Columbus, Ohio 43215
(614) 644-0306 telephone or fax (614) 728-4520
http://www.dot.state.oh.us/ohiorail/

FOR IMMEDIATE RELEASE
Date: August 23, 2006
CONTACT: Stu Nicholson
614-644-0513

ORDC's Jim Seney Ends 38 Years of Government Service

"Ohio Hub Plan will be his legacy for us to follow and finish".... ORDC Chairman James Betts

(Columbus) – Ohio Rail Development Commission Chairman James E. Betts today announced that ORDC Executive Director James Seney will be leaving his position, ending a 38 year career in government service at the local and state level in Ohio.

"When you consider what Jim Seney has accomplished in just his time here at ORDC, you can begin to understand how much we regret his leaving", says ORDC Chairman James E. Betts. "The fact that our Ohio Hub Plan to establish high-speed passenger rail and expanded freight rail capacity is so close to entering the important Environmental Impact Study phase is a tribute to Jim's energy and leadership. The Ohio Hub Plan will be his legacy for us to follow and finish."

Upon telling the Commissioners and staff of his intent to leave, Seney explained, "I feel I have done as much as I can with the limited resources that have been available to our Commission. We have a lot to show for it as a result, such as the Ohio Hub Plan, our Safety Corridor Program for grade crossing improvements, our contributions to the beginnings of the Rickenbacker Intermodal Hub and the Heartland Rail Corridor, and numerous projects around the state where ORDC grants and loans have helped attract or expand

businesses and retain or create good jobs. We have also forged important partnerships with Ohio's railroads, especially with the major freight carriers Norfolk Southern and CSX. Clearly there is a need to do much more and I'm confident ORDC will keep this effort on track."

It is also noteworthy that the Rail Corridor Safety Program begun during Mr. Seney's administration has resulted in a significant reduction in grade crossing fatalities from a high of 60 in 1990 to a record low in 2004 of 11. Total car-train crashes have gone from 879 in 1979 to 112 in 2004. Those numbers stayed around those levels in 2005. In addition over 1,200 grade crossings around Ohio have been upgraded with new, state-of-the-art lights and gates, especially in Ohio's most heavily travel rail corridors.

He has also overseen the management and operation of three state-owned railroad lines, including the Panhandle Line between Columbus and the Ohio River at Mingo Junction. In his ten years as ORDC Executive Director, Mr. Seney has been involved in rail-related economic development projects in virtually every county in Ohio.

Prior to serving as ORDC's Executive Director, Mr. Seney already had an extensive and productive career in Ohio government.

During the administration of the Governor George Voinovich:

- Served as a statewide and regional business development representative for the Ohio Department of Development and as the Department's liaison on transportation issues.
- Responsible for Governor Voinovich's successful Hanover Trade Fair trip and escorted the Governor while on the ground in Germany through the Ohio-hosted event.

During the administration of Governor Bob Taft:

- Northwest Ohio Regional Representative for the Ohio Department of Development.
- Helped implement incentives to keep and expand Daimler-Chrysler's Jeep Plant in Toledo.
- Helped bring a major engineering firm headquarters into Toledo, fulfilling a campaign pledge by Governor Taft.
- Instigated the State of Ohio's Purchase and preservation of Middle Bass Island on Lake Erie.
- Represented the Governor in organizing an offer to purchase and preserve the Fallen Timbers Battlefield Site in Lucas County

Mr. Seney is also a founder of the Ohio Port Authorities Council and served as co-chairman of the modernization of the Ohio Port Authorities Act, which granted sweeping economic development powers to Ohio's port authorities and was

signed into law by Governor Taft. He has also served on the Board of Directors of the Inland River Ports & Terminals Association.

Mr. Seney also served as Mayor of Sylvania, Ohio for 19 years, prior to his service with the State of Ohio. He also served with and was honorably discharged from the United States Marine Reserves.

(The Ohio Rail Development Commission is an independent agency operating within the Ohio Department of Transportation. ORDC is responsible for economic development through the improvement and expansion of passenger and freight rail service, railroad grade crossing safety and rail travel & tourism issues. For more information about what ORDC does for Ohio, visit our website at http://www.dot.state.oh.us/ohiorail/)

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

Heartland Corridor Project: Media Interest

It is worth noting that the "Heartland Corridor" project, of which Ohio and ORDC are participants, had attracted a heavier than normal amount of media attention. Some is this is thanks to the news release from the Norfolk Southern Railroad, which features a very good quote from our recently-retired Executive Director Jim Seney. We, in turn, distributed that release to our own network of media contacts and other interested parties around Ohio.

In the two days following that news release, ORDC Public Information Officer Stu Nicholson did lengthy interviews with media within and outside of Ohio, including.....

- Business First Columbus
- The Daily Reporter (Columbus)
- WCBE-Radio (NPR – Columbus)
- West Virginia Public Radio
- The Huntington Herald-Dispatch (West Virginia)
- The Associated Press / National Desk (Washington D.C.)

It was a unique opportunity to not only inform these media about the significance of the Heartland Corridor Project, but also to demonstrate that this project is an example of how ORDC is responding to the growing need to move more freight by rail in and through Ohio. Nearly all of the reporters were interested in Ohio's role in this as well as how this project fits in from a national perspective to meet this need for more rail capacity.

September 5, 2006

Agreement Reached On Federal Funding For Heartland Corridor

NORFOLK, VA -- The States of Ohio, West Virginia and Virginia, Norfolk Southern Corporation (NYSE:NSC), and the Federal Highway Administration (FHWA) at the U.S. Department of Transportation announced today that the three states and Norfolk Southern's operating subsidiary, Norfolk Southern Railway Company, have entered into Memoranda of Agreement with FHWA that govern the release of $95 million in federal funding for the Heartland Corridor rail double-stack clearance project.

The Heartland Corridor will enable double-stacked international maritime and domestic containers to be transported by rail between the Hampton Roads region of Virginia and locations in the Midwest by raising tunnel clearances and modifying other overhead obstructions in western Virginia, West Virginia, and through to Columbus, Ohio.

Through mutual agreement among all the parties, FHWA's Eastern Federal Lands Highway Division will serve as project leader.

The Heartland Corridor Project is a public-private partnership whose purpose is to expand capacity, improve service consistency and reduce customer availability times by up to one day for intermodal traffic between the mid-Atlantic and the Midwest, providing opportunities for economic development in all three affected states, as well as benefits to the nation overall. The Heartland Corridor was designated as a Project of National and Regional Significance under the recently enacted SAFETEA LU legislation. Improvements in the efficient movement of international and domestic containers will be achieved under Heartland via rail, providing an effective alternative to over-the-road movement of freight.

With all of the funding agreements in place, the parties to the agreements can now move to complete the engineering and environmental studies required, with the goal of
beginning construction of the project soon thereafter. The parties expect the clearance construction to be completed by the end of 2009.

"This is an important public-private partnership that will result in significant public benefits, including increased access for the Port of Virginia and increased movement of freight by rail as opposed to on the highways," said Virginia Governor Tim Kaine. "I'm pleased with the multistate and federal partnership that has enabled this project to advance."

"Harnessing the strength of the Port of Huntington Tri-State, which ranks as the seventh largest port and the largest inland river port in the United States, with the Port of Virginia and Port of Columbus creates an 1100-mile corridor of unprecedented economic opportunity," said West Virginia Governor Joe Manchin. "Bringing both the public and private sectors together proves that not one, but three states have a greater capacity for potential economic development. The Heartland Corridor presents another opening for business opportunity for West Virginia to participate in the global market place."

"This is an important step to address the critical and growing need to increase the capacity for our rail systems to move freight, especially at a time when so much of it is moving by container between our nation and international markets", said Ohio Rail Development Commission Executive Director James Seney. "Coupled with the Rickenbacker Intermodal Hub now being built near Columbus, getting the Heartland Corridor Project underway will increase efficiencies for shippers and further strengthen our region's strategic importance in the global economy."

"This project is a prime example of how a public-private partnership can result in major benefit to the economy," said Norfolk Southern CEO Wick Moorman. "The expanded rail capacity and improved transit times between Hampton Roads and the Midwest will stimulate economic growth throughout the region and enhance the nation's

Terms and Conditions | Privacy Policy
Copyright 1996-2004 Norfolk Southern Corporation, All Rights Reserved
Email Webmaster

Business First of Columbus - September 5, 2006
http://columbus.bizjournals.com/columbus/stories/2006/09/04/daily7.html

New benefit for print subscribers! Click here to learn more...

BUSINESS PULSE SURVEY: Fair plan for fare box?

Heartland Corridor project receives $95M in federal funds

Business First of Columbus - 2:29 PM EDT Tuesday

The **Federal Highway Administration** said Tuesday it is releasing $95 million for construction of the Heartland Corridor, giving **Norfolk Southern Corp.** and the states of Ohio, Virginia and West Virginia the green light to begin raising overpasses on a rail route across the region.

The project is a partnership between Norfolk Southern's subsidiary, **Norfolk Southern Railway Co.**, and federal and state governments to raise overpasses enabling double-stacked containers to be transported by rail.

Norfolk Southern and its state and federal partners will begin construction next year, after engineering and environmental studies are complete. Construction is expected to be completed in 2009.

Norfolk is also building a $63 million, 175-acre intermodal rail yard at **Rickenbacker International Airport** to transfer shipping containers from freight trains to semi-truck trailers. Construction begins this month and is scheduled for completion in early 2008.

Transportation services company Norfolk Southern (NYSE:NSC) is based in Norfolk, Va., and reported $8.53 billion in revenue last year.

Contact the Editor | Need Assistance? | More Latest News

Subscribe or renew online

All contents of this site © American City Business Journals Inc. All rights reserved.

herald-dispatch.com

This is a printer friendly version of an article from the **The Herald-Dispatch**
To print this article open the file menu and choose Print.

Back

Rail project gets funding

By Bob Withers
The Herald-Dispatch

September 6, 2006

HUNTINGTON -- The Norfolk Southern Railway Co., the states of West Virginia, Ohio and Virginia and the Federal Highway Administration announced Tuesday that they have approved agreements that govern the release of $95 million in federal funding for the Heartland Corridor rail double-stack clearance project.

But, according to NS, the money doesn't include a dime for construction of an intermodal transfer station at Prichard that economic experts have said would induce the corridor to jumpstart the Tri-State's economy.

Congress approved the funds as part of the SAFETEA-LU Act -- the acronym stands for the "Safe, Accountable, Flexible and Efficient Transportation Equity: A Legacy for Users" Act -- last summer.

"This represents the official beginning of the project," NS spokesman Robin Chapman said Tuesday.

The work will enable double-stacked international maritime and domestic containers to be transported by rail between the Hampton Roads, Va., area and locations in the Midwest by raising tunnel clearances and modifying other overhead obstructions on NS's main line in western Virginia, West Virginia and southern Ohio.

The highway administration's Eastern Federal Lands Highway Division will serve as project leader.

"Now money can be spent on these clearances," Chapman said.

The Heartland Corridor project is a public-private partnership designed to expand capacity, improve service consistency and reduce customer availability times by up to a day for intermodal rail traffic between the mid-Atlantic and the Midwest. It's also meant to provide opportunities for economic development in all three affected states.

One bonus that has been anticipated from the project is the proposed $16 million to $18 million intermodal facility at Prichard, where containerized freight could be swapped between trains and trucks.

Last year, a spokesman for Rep. Nick Rahall, D-W.Va., said he expected the law to contain money for the Prichard facility, and local economic experts predicted it would act as a magnet to attract business.

But Chapman said the allotment includes no funding for Prichard.

"We don't know where that money is coming from yet," he said.

When asked to speculate where it might be found, Chapman said he could not answer the question.

That development was a surprise to some.

"It's news to me," said Stu Nicholson, the Ohio Rail Development Commission's public information officer in

Columbus. "It's been our understanding that an intermodal yard in West Virginia was part and parcel of this project."

That was Jerry McDonald's impression, too.

"Norfolk Southern owns a good chunk of land down there already, adjacent to Prichard Industrial Park," said McDonald, president of the Huntington Area Development Council. "There have been efforts to expand the Prichard Industrial Park area to accommodate larger distribution companies once the Prichard part of the project is done."

A little later Tuesday, Nicholson had received more information.

"I was just told by our chief rail planner, Lou Jannazo, that the Prichard intermodal yard was part of the original Heartland Corridor project, but is no longer," he said. "Apparently it was an issue between the railroad and the state of West Virginia. Haven't a clue what that issue may have been."

State Sen. Bob Plymale, D-Cabell-Wayne, director of the Rahall Transportation Institute, denies that there is an issue at all, saying that negotiators eventually agreed that Norfolk Southern would receive $90 million of the authorized amount for clearance work in West Virginia and $5 million for the changes in Virginia.

"It will be the responsibility of West Virginia and Virginia to build the intermodal facilities," Plymale said. "In the next six to eight months, the West Virginia Department of Transportation, the governor's office and the Legislature will start on a work plan to build Prichard to coincide with the 2009-2010 completion of the Heartland Corridor."

Rahall himself said he's still working on the issue.

"I am continuing to iron out the finer details with the state and Norfolk Southern on the Prichard facility, its related infrastructure and needed land, and will continue to work in partnership with them to develop the Prichard facility," he said."

Meanwhile, engineering studies are under way to determine the best methods for increasing tunnel clearances -- NS has four tunnels on the route in Virginia and 24 in West Virginia -- and removing other obstructions to prepare for doublestack trains.

"We would anticipate beginning construction late this year or early next year, with completion by the end of 2009," Chapman said.

"Harnessing the strength of the Port of Huntington Tri-State, which ranks as the seventh largest port and the largest inland river port in the United States, with the Port of Virginia and Port of Columbus creates an 1,100-mile corridor of unprecedented economic opportunity," Gov. Joe Manchin said. "Bringing both the public and private sectors together proves that not one, but three states have a greater capacity for potential economic development. The Heartland Corridor presents another opening for business opportunity for West Virginia to participate in the global market place."

Copyright © 2005 The Herald-Dispatch

Welcome to herald-dispatch.com

Customer Service: Subscribe Now | Pay Bill |

Herald-Dispatch.com **Weather** **Calendar** **Jobs** **Cars** **Real Estate** **Apartments** **Shoppin**

herald-dispatch.com

Archive Search (1999 -)

STORY SEARCH GO

◉ 7 Days ○ Archive

S M T W T F S

News
Local news
W.Va. news
Putnam County news
Ohio news
Nation/World
Communities
Obituaries
Marshall University
Photo Galleries
Weather
Blogs
Corrections
Sports
Business
Your Life
Opinions
Entertainment
Outdoors
Customer Care
Links
USA TODAY
Gannett
Gannett Foundation
River Cities Printing
Health Source

XML RSS Feeds

PDA Site

TOP JOBS
Herald-Dispatch.com
POWERED BY
careerbuilder

Pea Ridge PSD has an immediate opening for a full-time laborer

HVAC Installation Techs and Service Tech 5 yrs+

Chiropractic Assistant wanted for chiropractic office

All Top Jobs
About Top Jobs

ADVERTISEMENT

LOCAL NEWS | Wednesday, September, 6, 2006

Headlines by E-mail

Rail project gets funding

By Bob Withers
The Herald-Dispatch

HUNTINGTON -- The Norfolk Southern Railway Co., the states of West Virginia, Ohio and Virginia and the Federal Highway Administration announced Tuesday that they have approved agreements that govern the release of $95 million in federal funding for the Heartland Corridor rail double-stack clearance project.

But, according to NS, the money doesn't include a dime for construction of an intermodal transfer station at Prichard that economic experts have said would induce the corridor to jumpstart the Tri-State's economy.

Congress approved the funds as part of the SAFETEA-LU Act -- the acronym stands for the "Safe, Accountable, Flexible and Efficient Transportation Equity: A Legacy for Users" Act -- last summer.

"This represents the official beginning of the project," NS spokesman Robin Chapman said Tuesday.

The work will enable double-stacked international maritime and domestic containers to be transported by rail between the Hampton Roads, Va., area and locations in the Midwest by raising tunnel clearances and modifying other overhead obstructions on NS's main line in western Virginia, West Virginia and southern Ohio.

The highway administration's Eastern Federal Lands Highway Division will serve as project leader.

"Now money can be spent on these clearances," Chapman said.

A Norfolk So
with tank ca
Tuesday. Bu
exchange ca
Prichard was
the Heartlan

The Federal
the release c

ADVERTISEMENT

RAMEY ESTEP HOMES

Click Here for Child-Care and Therapist Positions

Ramey-Estep Homes offers Opportunities for youth to become productive responsible adults.

(606) 928-6648

The Heartland Corridor project is a public-private partnership designed to expand capacity, improve service consistency and reduce customer availability times by up to a day for intermodal rail traffic between the mid-Atlantic and the Midwest. It's also meant to provide opportunities for economic development in all three affected states.

One bonus that has been anticipated from the project is the proposed $16 million to $18 million intermodal facility at Prichard, where containerized freight could be swapped between trains and trucks.

Last year, a spokesman for Rep. Nick Rahall, D-W.Va., said he expected the law to contain money for the Prichard facility, and local economic experts predicted it would act as a magnet to attract business.

But Chapman said the allotment includes no funding for Prichard.

"We don't know where that money is coming from yet," he said.

When asked to speculate where it might be found, Chapman said he could not answer the question.

That development was a surprise to some.

"It's news to me," said Stu Nicholson, the Ohio Rail Development Commission's public information officer in Columbus. "It's been our understanding that an intermodal yard in West Virginia was part and parcel of this project."

That was Jerry McDonald's impression, too.

"Norfolk Southern owns a good chunk of land down there already, adjacent to Prichard Industrial Park," said McDonald, president of the Huntington Area Development Council. "There have been efforts to expand the Prichard Industrial Park area to accommodate larger distribution companies once the Prichard part of the project is done."

A little later Tuesday, Nicholson had received more information.

"I was just told by our chief rail planner, Lou Jannazo, that the Prichard intermodal yard was part of the original Heartland Corridor project, but is no longer," he said. "Apparently it was an issue between the railroad and the state of West Virginia. Haven't a clue what that issue may have been."

State Sen. Bob Plymale, D-Cabell-Wayne, director of the Rahall Transportation Institute, denies that there is an issue at all, saying that negotiators eventually agreed that Norfolk Southern would receive $90

in West Virgi
accommodat
not include a
that local ec

Related ne
Latest hea
• US News

Powered b

J

• Join ou
React to th
conversati

J

• Marsha
• Hot To
• Word o
• Drugs
• Prep Sp
• Latest
• Twenty
• Nascar
• Savvy

cars.com

Herald-Dispatch
Real Estate

Herald-Dispatch
Classifieds

million of the authorized amount for clearance work in West Virginia and $5 million for the changes in Virginia.

"It will be the responsibility of West Virginia and Virginia to build the intermodal facilities," Plymale said. "In the next six to eight months, the West Virginia Department of Transportation, the governor's office and the Legislature will start on a work plan to build Prichard to coincide with the 2009-2010 completion of the Heartland Corridor."

Rahall himself said he's still working on the issue.

"I am continuing to iron out the finer details with the state and Norfolk Southern on the Prichard facility, its related infrastructure and needed land, and will continue to work in partnership with them to develop the Prichard facility," he said."

Meanwhile, engineering studies are under way to determine the best methods for increasing tunnel clearances -- NS has four tunnels on the route in Virginia and 24 in West Virginia -- and removing other obstructions to prepare for doublestack trains.

"We would anticipate beginning construction late this year or early next year, with completion by the end of 2009," Chapman said.

"Harnessing the strength of the Port of Huntington Tri-State, which ranks as the seventh largest port and the largest inland river port in the United States, with the Port of Virginia and Port of Columbus creates an 1,100-mile corridor of unprecedented economic opportunity," Gov. Joe Manchin said. "Bringing both the public and private sectors together proves that not one, but three states have a greater capacity for potential economic development. The Heartland Corridor presents another opening for business opportunity for West Virginia to participate in the global market place."

STORYCHAT Post a Comment

This article does not have any comments associated with it

- **Read what else is going on in the Tri-State: More Local News**
- **Get more information on this topic by searching our Archives**
- **Give us your input regarding local news in our Forum**
- **Discuss topics with others in our Blogs**

Classified Partners: Jobs: CareerBuilder.com | Cars: Cars.com | Apartments: Apartments.com | Shoppi

Subscribe to The Herald-Dispatch 7 days a week!
Tri-State News | Tri-State Sports | Marshall Sports | Technology | Obituaries
Classifieds | Jobs | Homes | Apartments | Cars | Shopping
Subscribe | Advertising | Contact List

Copyright ©2006 Herald-Dispatch.com All rights reserved.
Use of this site signifies your agreement to the Terms of Service and Privacy Policy, updated June 7, 2005 Copyright ©2006
Use of this site signifies your agreement to the Terms of Service and Privacy Policy, updated Ju
We welcome your questions, comments or suggestions.

GANNETT

"Stu"
<footestu@columbus.rr.com>
09/04/2006 06:36 PM

To "Stuart Nicholson" <Stuart.Nicholson@dot.state.oh.us>
cc
bcc
Subject Marion Overpass

From the 9/3/06 Marion Star:

An overpass to progress

Business benefit just one of the pluses from rail funds

Plan was sunk without commission's contribution, says Commissioner Frayer

By JOHN JARVIS
The Marion Star

MARION - Play ball.

A chief freight rail planner with the Ohio Rail Development Commission described the Northwest Industrial Connector project in baseball terms, saying the road promises to be "kind of a triple play."

Explaining why the commission has committed up to $6 million toward construction of an overpass, Lou Jannazo said, "The project itself has dual aspects, it's a very good safety project and it's a very good economic development project."

Then, he added what he said was a third positive, that the overpass would preclude the need on the CSX railroad track for a grade crossing, which "would have been terrible for the rail operation. It would have really hampered their ability to serve the Marion area by rail."

The rail commission, in a letter dated Aug. 25, informed Marion County Engineer Brad Irons that it would commit up to $6 million to build an overpass near the current west end of Marion-Williamsport Road, where the Northwest Connector would link from Ohio 95 West.

In late spring, CSX Transportation Inc., the principal operating company for the railroad, objected to adding a grade crossing to accommodate the road's intersection with the track. Irons sent letters to state and federal officials seeking assistance with getting the road past the train route.

"In seeking solutions to it, it wasn't feasible at all to go at grade," Irons said.

The county board of commissioners preferred construction of an overpass anyway, but the cost was an obstacle, said Andy Appelfeller, board chairman.

The rail commission's offer of grade crossing safety funds is contingent on local officials closing three existing grade crossings to automobile traffic.

"We feel that's a good possibility without burdening other traffic or residents," Appelfeller said, adding that the crossings to be considered for closure have not been determined.

Estimated cost of the overpass is $4.9 million. The cost of the rest of the project is projected to be $6.6 million, with all but about $975,000 to be funded by the state and through tax revenue from tax increment financing at the Dual Rail Industrial Park. The county commissioners, county engineer's office and city each would pay $325,000 toward the work.

A request by Whirlpool Corp., Marion Division, to the Ohio Department of Development for an alternative

route for trucks hauling to and from the county's largest employer spurred the project.

Stan Kinnett, Marion Division vice president, praised those involved for their efforts.

"I think like in all things if the right people talk and ask the right questions the right solution gets developed," Kinnett said. "In the long term this will be a great development for Marion."

The rail commission said the project will serve a new Whirlpool expansion, Marion Intermodal just east of the city and attract new industrial development.

Dave Claborn, president of Community Area New Development Organization Inc., said the rail commission funding "removes the last hurdle that could have prevented this Northwest project from going in, which I think is a huge piece of the development puzzle. ... I think Marion's really going to be in a strong position to just continue the rebuilding, the restructuring of the community because a lot of the pieces will be in place."

Commissioners Ken Frayer and Dave Columber shared Claborn's enthusiasm.

"We are very ecstatic over this because without having the funds for the overpass could have sunken the whole project," Frayer said.

Columber said the northwest connector "is probably the most important project going right now."

Bruce Johnson, lieutenant governor and state development director, described the work to complete the project as a "great local and private partnership. The relationship between the local officials of Marion, Marion CANDO and the state of Ohio is excellent."

Irons said he is asking the city to close two of the grade crossings and the county one to provide the "quid pro quo" that the rail commission calls for in its funding commitment.

"I think we're pretty close to getting it done," Irons said.

The project is on the agenda for City Council's streets and sewers committee Tuesday.

The opening of Marion Intermodal by Marion Industrial Center President Ted Graham and the consolidation of Maytag operations at Whirlpool "just made the project too important for the area, just too valuable," he said.

Jannazo likes the triple play: Improved safety afforded by four fewer crossings where trains and automobiles no longer intersect, enhancement of economic development via better transportation flow and the protection of CSX's rail operations.

Reporter John Jarvis: 740-375-5154 or jjarvis@nncogannett.com

Overpass progress

Another railroad overpass in Marion County, the structure along Barks Road, could be completed by the end of the year if weather allows, Marion County Engineer Brad Irons said.

Construction cost of the project is about $3.4 million, with the county funding about $170,000 through bridge credit the county has accumulated, Irons has said.

The overpass will allow automobile traffic to pass over the Norfolk Southern railroad tracks between Marion-Marysville and Marion-Waldo roads.

http://www.marionstar.com/apps/pbcs.dll/article?AID=/20060903/NEWS01/609030308/1002/rss01

ACCOMPLISHMENTS REPORT
PLANNING, PROJECT DEVELOPMENT, AND TRACK INSPECTION
July 13 to September 6, 2006

PLANNER	DEVELOPMENT SPECIALISTS
Don Damron	**Lou Jannazo**
	Bev Lee

TRACK INSPECTION
- No inspections.

ADMINISTRATIVE
- Drafted various materials and potential project lists for FY 2008 – 2009 budget submissions.
- Helped prepare agendas and briefing packets for September 14, 2006 meeting.
- Developed grant agreements for projects approved at July meeting.
- Did OEPA and Ohio Taxation background checks on July grant recipients.
- Lou conducted annual performance reviews and did annual training plans for Don and Bev.

TRAINING
- Lou, Don, and Bev attended mandatory training session on fraud and ethics.

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development
- Continued work and investigations into various ongoing spur project proposals including Paygro/Garrick Industries in South Charleston, American Steel Alloys in Warren, Spartech Plastics in Greenville, Broin Ethanol in Leipsic.
- Began investigations into new spur projects including a confidential project in Port Clinton, Heartland Oil in Columbus, Americold Logistics in Navarre, the Andersons Ethanol plant in Greenville, and others.
- Continued helping Matt Dietrich with project to move CSX Columbus intermodal facility from Buckeye Yard to Parsons Yard and other CSX intermodal initiatives.
- Investigated new, confidential intermodal project for northwest Ohio.
- Continued pursuing new project investigations for various transload projects including coal transloads in Hamden (US Rail), and Wellsville (Buckeye Industrial Mining), and other transloads such as Cemex cement transload in Fairborn, a rail, truck, river facility in Portsmouth (Conley "52" Terminal) and other transload projects.
- Developed the Crane/Vinyl Vision and Warrenton Terminal Bulk Transload projects for September Commission Meeting.
- Investigating potential Rehabilitation Program projects including the Ohio Southern "Swing" Bridge in Zanesville, the RJ Corman Dover line, and the Ohio Central Newark to Mt. Vernon line for possible ORDC funding assistance

PASSENGER PLANNING

Ohio Hub
- Developing project with Toledo MPO (TMACOG) to study various issues involving the future use

of land around the Toledo Union Terminal. (Some local officials want to use land for bus maintenance facility.)

- Continued coordination with consultants working on the Economic Impacts study of the Ohio Hub; conducted progress meeting with consultants; helped set up and staff July 14 forum in Columbus to discuss economic development related to station location (Transit Oriented Development, or TOD).
- Continued work and coordination with other states and railroads on Ohio Hub Study.
- Continued work on the feasibility study for the Chicago - Ft. Wayne - Lima - Columbus – Pittsburgh/Detroit – Toledo – Columbus High Speed Rail corridors. Conducted progress report meeting with consultant team.
- Continued with various meetings and presentations on Ohio Hub plan including a meeting with the Mayor and other officials of Cincinnati.

Other Passenger Initiative

- Continued coordination with the MWRRI study effort.
- Attended meetings or otherwise kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail.
- Attended meetings on new effort to get commuter rail or light rail going between Lorain and Cleveland.
- Continued providing the Cuyahoga Valley Scenic Railroad technical support and advice to help get excursion trains to downtown Cleveland.
- Submitted comments on new ADA rules on "level platforms" for intercity rail to USDOT.

OTHER PLANNING INITIATIVES

- Continued coordinating with ODOT on a new "Freight Railroad Bottleneck Study". Helped ODOT, the Ohio Railroad Association (ORA), and Consultant (Cambridge Systematics) get as many railroad responses as possible for the study. Met with ODOT, ORA and Consultants on next steps.
- Continued working with National Cooperative Highway Research Program (part of Transportation Research Board) on a panel conducting a study of best practices to preserve rail infrastructure for the future; attended meeting on issue in Washington DC.
- Continued investigating "Clean Diesel" issues as they might relate to Ohio railroads obtaining Congestion Mitigation & Air Quality (CMAQ) funding for a variety of clean diesel/fuel use reduction devices. Working with clean locomotive provider and CSX on possible CMAQ project for next year (and next Administration).
- Further investigated how various constituents view ORDC's out of service Glass Rock Branch and developed a briefing paper on possible long term plans and short term next steps.
- Prepared for AASHTO Standing Committee on Railroad Transportation (SCORT) annual national meeting in San Antonio where next phase of Freight Rail Bottom Line will be discussed among other issues.

MISCELLANEOUS

- Investigating a two mile NS exempt abandonment in Sheffield (Lorain County). Several groups interested in buying right-of-way for various purposes.
- Wrote letter for Director to Ohio Congressional Delegation backing new proposed federal legislation (Freight Rail Infrastructure Capacity Expansion Act) to provide railroads and others with a 25% tax credit for any rail project which expands railroad capacity.

- Continued helping Van Wert County Port Authority with the process of scrapping out 10 miles of long out of service track of the so called SPEG (Spencerville-Elgin) line from Ohio City to Glenmore. RJC operates the line from Ohio City to Lima. ORDC would get 90% of the proceeds to put in an interest bearing account controlled by FRA but only available to Ohio.
- Set up meeting and provided Good Office for Coshocton Grain and NS to discuss service and other issues negatively impacting the Coshocton Grain business.

SAFETY

- Helped Safety Section develop Director's commitment to do grade separation project in Marion.
- Did Operation Lifesaver presentation to local church group.

WPDOCS/AccomplishmentsCommission

OHIO RAIL DEVELOPMENT COMMISSION
INTER-OFFICE COMMUNICATION

TO: **Matthew Dietrich, Secretary-Treasurer**

FROM: **Susan J. Kirkland, Manager, Grade Crossing Safety Section**

SUBJECT: **Safety Section Progress Report**

DATE: **September 7, 2006**

==========

The following major objectives were met by the Safety Section during the last several months:

- The Safety Section submitted the *2005 Highway Safety Improvement Program Report* to the Federal Highway Administration (FHWA) on December 31, 2005. A copy of the report is attached for your review.

- The Norfolk Southern Corridor from Columbus to Cincinnati called the CJ Line has been stalled for the last several months. The first segment, the Springfield section, was to address 18 crossings throughout the community. Five (5) of the eighteen crossings would have been eliminated by roadway closure and thirteen crossings would have received either standard flashing lights and roadway gates or four quadrant gate installations. The community was implementing additional improvements to secure a quiet zone on the NS line. Establishing contractual language for the quiet zone elements of the project has proven to be insurmountable. The ORDC has given the community a deadline of October 2, 2006 to accept proposed agreement language. Should an agreement not be reached, ORDC will move forward with standard light and gate installations in Springfield and progress with other improvements on the CJ Corridor.

  The entire CJ Corridor will encompass 82 public, at-grade crossings. Crossings will be improved by an upgrade to flashing lights and roadway gates, a circuitry upgrade or closure of the roadway. The rough estimate for the total project cost at this point is $9,543,000. The ORDC and NS will share in the cost at a 75/25 ratio respectively. NS has suggested that Miamisburg be the next community addressed.

- Construction on the NS corridor from Avery to Payne on the Fostoria District (B-line) is completed. NS has begun the process to obtain closure of the crossings not yet addressed with lights and gates. If the closures are unsuccessful, ORDC will initiate projects to install lights and gates. Thus far of the twelve (12) locations outstanding, two (2) closures have been petitioned before the PUCO, one crossing is being converted from public to private, and three (3) crossing have been released by NS to move forward with the installation of lights and gates.

  Both communities in which crossings have been petitioned for closure, Leipsic and McComb, are contesting the closures. It is likely ORDC staff will be subpoenaed for testimony at the PUCO hearings on the matter.

- I will attend the AREMA Signal and Communications committee (Committee 36) meeting in Hershey, PA the third week of October, 2006.

- In May, I reported that Rail America agreed to team with the ORDC on installation of two (2) high-type surfaces on their Indiana and Ohio lines. The projects were funded at a labor/material split, with the railroad picking up the labor portion of the project. These improvements constitute the first projects of this nature on this carrier. The project sites outlined below were recently successfully completed:

Franklin County	SR 665-6.88 (near Grove City)	151 863G
Auglaize County	SR 67-8.13 (Uniopolis)	258 630K

- As reported in May, the ORDC and CSX initiated 10 projects for high-type surfaces through our reconstruction program. The projects were funded at a labor/material split. The projects were selected on a statewide basis and are outlined below. The estimated cost for the ORDC is $420,000. CSX reports that all materials have been ordered and construction will take place as soon as possible:

ODOT District 1		
	HAN 103-12.25 (Village of Arlington)	513735B
ODOT District 2		
	SAN 20-3.39 (Village of Woodville)	509168E
	SAN 105-3.72 (Village of Woodville)	509165J
	WOO 163-5.42 (Rural)	509152H
	WOO 20-5.00 (Rural)	513606L
ODOT District 3		
	MED 252-1.97 (Rural)	141907C
ODOT District 6		
	DEL 229-6.90 (Village of Ashley)	518304B
	MRW 288-1.14 (Rural)	518341D
	MRW 42-7.28 (Village of Cardington)	518317C
	UNI 42-3.27 (Rural)	513303C

- ORDC received notification from the FRA that a technical correction was made in April to the congressional budget bill for the Ohio statewide highway-rail barrier gates earmark. The correction nullified the limitation that the $500,000 earmark be used for the Quixote "StopGate" barrier system. It explains the state funds usage; "It is the intent of the conferees that these funds be available to the Ohio Rail Development Commission for acquisition and installation of grade crossing safety devices."

  This is excellent news. ORDC originally secured the FRA grant for approximately $500,000 in 2004 for the installation of a barrier gate at a railroad grade crossing in the State of Ohio. The original intent was to install a Quixote "Stopgate" at a crossing on an Ohio high speed designated corridor. The ORDC has expended tremendous effort to accomplish this task. We have been unable to develop a project of this nature. Until this technical correction was made, FRA legal staff had maintained the ORDC subject grant/earmark must be used in a barrier gate of some type.

Attachments (1)

2006 HIGHWAY SAFETY IMPROVEMENT PROGRAM REPORT
(evaluation of improvements made in State Fiscal Year FY 2006)
OHIO RAIL DEVELOPMENT COMMISSION
RAILROAD GRADE CROSSING SAFETY PROGRAMS

Purpose: The Ohio Rail Development Commission (ORDC) Railroad Grade Crossing Safety Programs provide funding for highway-railroad grade crossing safety improvements or corrective activity designed to alleviate a highway-railroad hazard. The State of Ohio has approximately 6,100 public, at-grade crossings of which 2,867 (47%) are equipped with flashing lights and roadway gates, 854 (14%) are equipped with flashing lights only and 2,379 (39%) are passive. In addition, Ohio has approximately 2,274 grade separations.

Effectiveness: The crashes occurring at public grade crossings in Ohio have shown a steady decline since the early 1970s. The table below summarizes the progression. The State continues to experience a leveling off, with an alarming 57% of all crashes occurring at locations with active warning devices.

	Calendar Years							
	1998	1999	2000	2001	2002	2003	2004	2005
CRASHES	137	127	143	123	120	112	117	122
FATALITIES	14	19	15	21	20	11	13	7
INJURIES	42	46	40	41	36	44	32	32

Funding: The ORDC Railroad Grade Crossing Safety Programs are funded through the Ohio Department of Transportation (ODOT) from the Federal Highway Administration (FHWA) Highway Safety Improvement Program and Surface Transportation Program. Historically, ORDC has received $15 million per fiscal year. This amount exceeds the $8.2 million set-aside for railroad grade crossing safety in the Transportation Equity Act for the 21st Century and the Safe Accountable, Flexible Efficiency Transportation Equity Act – A Legacy for Users (SAFETEA-LU) by 6.8 million. For State FY 2006, the total expenditures in the grade crossing safety programs were $18,982,868.00.

State Fiscal Year 2006 Activities

INTRODUCTION

This 2006 Highway Safety Improvement Program Report will cover all expenditures made in State FY 2006 toward grade crossing safety. Of the $18,982,868 expended on grade crossing safety improvements in State FY 2006, $4,812,116.82 was expended specifically under 23 USC

130. Attached is a spreadsheet titled State FY 2006 – Projects Funded Under 23 USC 130. This document reflects the information available as of August, 2006. Complete documentation on these projects will be filed in the annual Highway Safety Improvement Program Report of 2009.

CROSSING APPROACH IMPROVEMENTS

Activities such as channelization, new or upgraded traffic signals and pre-signals guardrails and pedestrian / bicycle path improvements near the crossing are funded as part of individual warning device projects. These types of improvements are not specifically funded as individual projects using Federal funds administered by the ORDC. In addition, the State of Ohio funds grade crossing illumination projects through a State funded Supplemental Assistance Program administered by the Public Utilities Commission of Ohio (PUCO).

CROSSING WARNING SIGN AND PAVEMENT MARKING IMPROVEMENTS

No specific improvements were accomplished in the area of crossing warning sign and pavement marking improvements in State FY 2006 due to the fact that advance warning signs, crossbucks and pavement markings were upgraded in 1994 at all passively-warned highway grade crossings as part of the Manual on Uniform Traffic Control Devices (MUTCD) experiment for the evaluation of the Buckeye Crossbuck.

ACTIVE GRADE CROSSING EQUIPMENT INSTALLATION / UPGRADE

Priority Warning Device Improvements (Original Section 130 Program)
In State FY 2006, 20 crossings were specifically identified by the Federal Railroad Administration (FRA) Hazard Index. The locations were selected on a state-wide basis. Based on the Diagnostic Reviews that were conducted, 24 actual flashing lights and roadway gate installations were completed under this program. The increase in projects installed versus projects identified is due to the close proximity of other crossings to the original location identified by formula.

The FRA Hazard Index considers multiple factors in the ranking system. In State FY 2006, some of the 20 prioritized locations did not encounter crashes within the three (3) year pre-project time frame. This occurrence is likely due to a combination of high or severe qualities other than crash data, for example train volume and speed, vehicular count, angle of the crossing, number of tracks and existing warning devices.

The column titled "Effectiveness Hazard Prediction Ranking" on the attached spreadsheet indicates the statewide ranking of the crossing at the time it was selected for improvement. The ranking demonstrates a 1 to approximately 6,100 position of that specific location in comparison to all public at grade crossings in Ohio. In this particular fiscal year, the project locations are

ranked between 1 and 238. Locations between 1 and 238 that were not selected already are equipped with flashing lights and roadway gates, is an existing project identified prior to this set of projects, or a diagnostic team found the existing devices adequate.

Rail Corridor Program

In an effort to take advantage of economies of scale and the closure of redundant crossings, the State of Ohio promotes the concept of upgrading segments of rail, with multiple crossings, at one time. In FY 2006, several relatively small corridors were addressed.

A CSX Transportation corridor was addressed on the CSX Toledo Sub in six (6) Ohio counties. A total of eleven (11) crossings were addressed with the application of flashing lights and roadway gates or a signal circuitry upgrade. This corridor is on the CSX Louisville Division and will be continued in future fiscal years.

A Norfolk Southern corridor was addressed from Vermilion to Payne. This corridor is called the NS B-Line. In 2006, the ORDC completed the majority of this multiple county corridor with the installation of two (2) final warning device projects. In FY 2007, the ORDC will attempt to close several crossings within this corridor.

A corridor on the Wheeling & Lake Erie Railroad (W&LE) was addressed in Stark County, City of Canton. This corridor included the installation of six (6) warning device projects and two closures.

Fatal Crash Upgrade Program

The Fatal Crash Upgrade Program was a new program initiated by the ORDC in 2001. When a community in Ohio experiences a fatal grade crossing crash, the ORDC immediately conducts a field review of the crossing. If the field review ultimately concludes that an engineering improvement would reduce the chance of another crash, the ORDC immediately addresses the engineering issue with a project to implement the corrective action. In FY 2006, the ORDC funded two (2) installations of flashing lights and roadway gates as a result of this program and the installation of one (1) signal circuitry upgrade.

Grade Crossing Consolidation Program

In the Grade Crossing Consolidation Program, flexible funds providing local incentive for crossing closure are utilized. The ORDC offers a range of improvements, for example, flashing lights and roadway gates, surface reconstruction, profile improvement, and/or railroad infrastructure improvements that can benefit the highway user and/or the creation of parallel roadways, cul-de-sacs or T-turnarounds.

Over the years, crossing closures have become increasingly difficult to achieve. In 2006, the ORDC closed ten (10) crossings. In exchange for these closures, several flashing lights and roadway gate installations, four (4) grade crossing surface reconstruction projects and contributions of approximately $221,000.00 toward two (2) grade crossing separation projects were completed.

County Task Force Program
The ORDC considers local level grass root interests in grade crossing safety a critical component of its overall program. The ORDC has assisted in the creation of approximately one dozen County Railroad Safety Task Force organizations throughout the State. In these Task Force groups, ORDC's efforts are often complemented by the work of such rail highway grade crossing safety advocacy groups as the "Angels on Track Foundation." ORDC staff is active members on each of the Task Force groups and attempts to partner with the local groups to fund safety projects that they prioritize. The only project funded in 2006 under this category was a highway project in conjunction with the Stark County Metropolitan Planning Organization (MPO) call SCATS. The project was at Stark County SR 172-13.98 on the Akron Metro, RTA (Railroad). The project involved both a new warning device installation and surface.

State Route System Crossing Improvement Program
The ORDC desires to eliminate crossings on Ohio's State Route system that are equipped with passive signage and/or flashing light systems. In Fiscal Year 2006, the ORDC funded two (2) upgrades from passive signage to flashing lights with roadway gates on Ohio's State System. The improvements were made at: Pike County, SR 335-21.90 and Harrison County, SR 646-17.94.

Signal Circuitry Upgrade
The ORDC funded five (5) projects in State Fiscal Year 2006. The ORDC's ultimate equipped with state-of-the-art light and flashing roadway gates. The ORDC addresses a few of these crossings each year.

VISIBILITY IMPROVEMENTS

Visibility improvements are not currently funded as individual projects using Federal funds. Activities such as sight distance improvements and vegetation clearance are funded through the PUCO's state funded Supplemental Assistance Program.

ROADWAY GEOMETRY IMPROVEMENTS

Surface Reconstruction Program
The ORDC funds the installation of high-type surface material at grade crossings. The Surface Reconstruction Program primarily addresses crossings on the State Route system and is funded by a labor/material split with the operating railroad. The ORDC funds the material costs and the railroad funds the labor portion of the project. In 2006, the ORDC funded 37 projects.

Profile Improvement
Activities such as sight distance improvement and elimination of high-profile ("humped") crossings near are funded as part of the Supplemental Assistance Program through the PUCO.

GRADE CROSSING ELIMINATION

Grade Crossing Consolidation Program
In the Grade Crossing Consolidation Program, flexible funds providing local incentive for crossing closures are utilized. The ORDC offers a range of incentives, for example, flashing light with roadway gates installation, surface reconstruction, profile improvement, railroad infrastructure improvements that can benefit the highway user, the creation of parallel roadways and cul-de-sacs.

In 1999, the State of Ohio began the Rail Grade Separation Program developed under the direction of Governor Taft. This program is a 10-year, $200 million program led by Ohio Department of Transportation (ODOT) and the Ohio Rail Development Commission (ORDC). Annually, from 2001 through 2010 the ORDC will commit $2 million to this program. The program will address safety, mobility and economic development concerns from Ohio's local communities and elected leaders. The program is intended to address a minimum of 30 crossings during its 10 year duration. Detailed information on this program can be found at http://www.dot.state.oh.us/rgsp/.

Specifically, in 2006, the ORDC closed nine (9) crossings. In exchange for these closures, several flashing lights and roadway gate installations, four (4) grade crossing surface reconstruction projects and contributions of approximately $220,000.00 toward two (2) grade crossing separation projects were completed. The table below summarizes the past seven (7) Fiscal Year's closures.

FISCAL YEAR	Number of Closures
1999	24
2000	5
2001	28
2002	5
2003	6
2004	6
2005	3
2006	9
Total	**86**

GRADE CROSSING INVENTORY UPDATE:

In FY 1999, the ORDC funded the creation of a State of Ohio Grade Crossing Inventory Database. This online tool allows anyone with Internet access to view photographs of the actual crossings as well as query relevant data about the crossing. The PUCO is charged by the Ohio Revised Code (ORC) to maintain the Grade Crossing Inventory for the State of Ohio.

The data is updated to reflect warning devices improvements and/or modifications made by the State of Ohio. To ensure this, the ORDC requires that photographs are taken at the final inspection of each Federally funded project and ORDC staff enters these photographs along with updated information about the warning devices into the database. In addition, in State FY 2006 the ORDC started collecting information related to railroad data from Ohio's carriers. These efforts required no specific expenditure of funds.

Summary of Fiscal Year 2006 Activities

The following table outlines the funds expended in Fiscal Year 2006 on actual projects. Change orders are not included in this Table. This data will be fully reported on in the Highway Safety Improvement Program Report submitted in June, 2009.

Category	Number of Crossings	Cost	Functional Class	
Active Grade Crossing Equipment Installation/Upgrade	68	$9,797,500	FC6 = 1 FC8 = 4 FC14 = 8 FC17 = 8	FC7 = 6 FC9 = 17 FC16 = 5 FC19 = 19
Roadway Geometry Improvements	37	$2,008,973.82	FC6 = 4 FC9 = 2 FC14 = 2 FC19 = 11	FC7 = 12 FC12 = 1 FC17 = 5
Grade Crossing Elimination	9	$220,659.00	FC19 = 9	

01 Rural Interstate
02 Rural Principal Arterial
06 Rural Minor Arterial
07 Rural Major Collector
08 Rural Minor Collector
09 Rural Local

11 Urban Interstate
12 Urban Other Freeway & Expressways
14 Urban Other Principal Arterial
16 Urban Minor Arterial
17 Urban Collector
19 Urban Local

PROJECT METRICS:

Evaluation of projects funded under 23 USC 130 for State FY 2003 in attached on a spreadsheet titled "FY 2003 – Projects Funded Under 23 USC 130".

CONCLUSION:

For State FY 2007, the ORDC plans to continue conducting Grade Safety Programs in the same manner focusing improvements at the most hazardous crossings in a cost effective manner.

State FY 2003 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2003 = $15,091,281.02 40 Flashing Lights with Roadway Gate Installations, 6 Crossings Closed, 23 Surface Reconstruction Projects

Federal-Aid Project Number	County	ROUTE	DOT #	FHWA Roadway Functional Classification	Project Type and Description	Pre-project Crossing Protection	Crossing Type	TOTAL PROJECT COST	EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE										CRASH DATA AFTER								
											2000			2001			2002			2003			2004			2005			2006		
									Before	After**	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E030(704)	ALL	Begg Road, TR 174	155706C	9	Active Grade Crossing Equipment Installation/Upgrade	Passive	Vehicular/Public	$101,316.95	38	475							1													
G030(713)	AUG	Sugar Street	155657H	19		Passive		$102,552.11	41	3,220					1															
G030(397)	COL	Lynchburg Road, TR 713	502932J	9		Passive		$111,495.38	66	3,650																				
G020(714)	DAR	Beam Road, CR 287	538804D	9		Passive		$128,630.53	6	386					3				1											
G020(711)	MED	Spieth Road, TR 65	141902T	9		Passive		$105,741.94	49	428					1															
G020(712)	MED	Spieth Road, TR 65	142488K	9				$110,084.38	N/A	1,300									1											
G020(715)	MIA	E. Main Street, SR 42 City of Troy	155186V	16		Active/ FL-LTS only		$158,044.81	7	715			1																	
E030(698)	PAU	Mercile Road, CR 151	472544A	9		Passive		$102,960.13	46	499								1												
E030(701)	PUT	TR 7D	472503V	9		Passive		$124,985.53	56	540						1														
G020(716)	ROS	Southern Avenue, City of Chillicothe	481379R	9		Active/ FL-LTS only		$725,100.68	62	1,484																				
E030(393)	SEN	Falter Road, TR 44	481595J	9		Passive		$111,108.64	57	3,335					1															
E030(396)	STA	Pigeon Run Road, CR 320	142569K	9		Passive		$99,226.72	40	4,289			1			1														
						Total		$1,981,247.80																						

** Ranking/After - Takes into consideration all crash data available at time of calculation.

After Rank Date 8/18/2006

$1,981,247.80 divided by 12 = $165,103.98 Average Project Cost

State FY 2006 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2006 = $18,982,868.00 68 Flashing Lights with Roadway Gate Installations, 9 Crossings Closed, 37 Surface Reconstruction Projects								EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE													
										2002			2003			2004			2005			2006		
Federal-Aid Project Number	COUNTY	ROUTE	DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	OBLIGATED PROJECT COST* /ORDC ESTIMATE TO DATE	Before	After**	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E060(062)	ALL	CR 84, State Road Allen County	532736J	8	Active Grade Crossing Equipment Installation/Upgrade	Passive	$143,825.59	238																
E060(037)	AUG	CR 100, Sante Fe-New Knoxville Road Auglaize County	258649C	9		Passive	$158,447.80	37						1							1			
E060(036)	BUT	Hensley Avenue	524977C	19		Active/ FL-LTS only	$211,596.06	86																
E060(035)	DAR	Detling Road, Brown Township	538808F	9		Passive	$331,412.00	87			1													
E060(039)	ERI	Stanley Road Vermilion Township	472316M	9		Passive	$177,645.43	89										1						
E051(210)	HEN	Marion Street Village of Deshler	155753K	19		Passive	$508,876.00	75						1										
E051(211)	HEN	Mulberry Street Village of Desher	155754S	19		Passive	$414,585.00	44						1										
E051(208)	HEN	Elm Street Village of Deshler	155759B	19		Passive	$223,216.00	64										1						

State FY 2006 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2006 = $18,982,868.00 68 Flashing Lights with Roadway Gate Installations, 9 Crossings Closed, 37 Surface Reconstruction Projects								EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE													
										2002			2003			2004			2005			2006		
Federal-Aid Project Number	COUNTY	ROUTE	DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	OBLIGATED PROJECT COST* /ORDC ESTIMATE TO DATE	Before	After**	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E060 (063)	KNO	SR 36, High Street City of Mt. Vernon	152074L	14	Active Grade Crossing Equipment Installation/Upgrade	Active/ FL-LTS only	$191,016.95	71																
	KNO	Chestnut Street City of Mt. Vernon	152075T	19		Active/ FL-LTS only	$66,054.14	N/A																
	KNO	Vine Street City of Mt. Vernon	152073E	19		Active/ FL-LTS only	$89,181.63	N/A																
	KNO	Gambier Street City of Mt. Vernon	152072X	19		Active/ FL-LTS only	$63,965.32	N/A																
E060(066)	LUC	Erie Street City of Toledo	867099J	19		Active/ FL-LTS only	$428,715.00	86												1				
E060(065)	LUC	Wheeling Street City of Toledo	851539A	19		Passive	$169,315.61	41				1						1						
E060(040)	MAD	CR 70, Glade Run Road Madison County	525135H	9		Passive	$194,908.20	56												1				
E060(052)	MED	Smith Road City of Medina	002080C	16		Passive	$121,173.87	55							1					1				
E060(053)	MED	CR 45, Spencer Lake Road Medina County	002054M	9		Passive	$107,345.62	6						2						1	1			

State FY 2006 - Projects Funded Under 23 USC 130

Federal Funding Level in FY 2006 = $18,982,868.00 68 Flashing Lights with Roadway Gate Installations, 9 Crossings Closed, 37 Surface Reconstruction Projects								EFFECTIVENESS HAZARD PREDICTION RANKING (1/6,100)		CRASH DATA BEFORE													
										2002			2003			2004			2005			2006		
Federal-Aid Project Number	COUNTY	ROUTE	DOT #	FHWA Roadway Functional Classification	Project Type and Description	Crossing Protection	OBLIGATED PROJECT COST* /ORDC ESTIMATE TO DATE	Before	After**	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO	FATAL	INJURY	PDO
E060(042)	RIC	Malone Road Cass Township	518474V	9	Active Grade Crossing Equipment Installation/Upgrade	Passive	$153,391.00	16				1									1			
E060 (068)	SAN	Stone Street City of Fremont	510245Y	16		Passive	$155,836.41	80							1									
	SAN	US 20, State Street City of Fremont	510246F	14		Active/ FL-LTS only	$238,131.57	N/A																
E060(034)	SHE	State Street Village of Botkins	155256H	8		Active/ FL-LTS only	$227,885.00	39													1			
E060(041)	UNI	CR33, Taylor Road Union County	513300G	9		Passive	$162,159.00	79									1				1			
E050(054)	WAY	Steiner Road Milton Township	473529B	9		Passive	$107,345.62	141												1				
E051(212)	WOO	TR 100, King Road Village of Haskins	155808V	9		Passive	$166,088.00	8			3						1							
						Total	$4,812,116.82																	

PDO - Property Damage Only

*Obligated Project Costs for DOT # 002080C, 002054M, 155256H, 473529B = Material Costs Only

**Ranking/After - Takes into consideration all crash data available at time of calculation.

$4,812,116.82 divided by 24 = $200,504.87 Average Project Cost

APPROVED PROJECT BRIEFING:
CRANE PLASTICS COMPANY, LLC/VINYL VISION
September 7, 2006

Project Funding		Project Benefits
* ORDC Grant	$80,000	* Vinyl Vision will retain 100 jobs
* Vinyl Vision	$155 ,000	* Vinyl Vison will create 30 new jobs
		* Vinyl Vision will generate 125 cars/yr

INTRODUCTION

Crane Plastics Company, LLC on behalf of its subsidiary Vinyl Vision requested, and ORDC's Chairman and Executive Director will be approving an $80,000 grant toward the building of a rail siding for Vinyl Vision in Mason. Crane Plastics Company, LLC will be the grant recipient.

BACKGROUND

Crane Plastics Company, LLC is a family owned company in the third generation of Crane family members running the business. Crane Plastics Company, LLC owns several businesses including Vinyl Vision in Wilmington, Ohio. Vinyl Vision manufactures decorative fencing and 6' fencing panels for privacy fences, trellises, and other plastic products.

Vinyl Vision currently shares a building with another Crane subsidiary, Timber Tech. Both of the companies are growing and cannot continue to operate and share the same building. Timber Tech is the faster growing company of the two. Crane Plastics Company, LLC decided that Vinyl Vision should find a new building and Timber Tech would stay in the existing building. Vinyl Vision will move into a 215,000 sq. ft. vacant building in Mason. The company will invest $6 million in building upgrades and $2 million in new equipment.

Vinyl Vision currently gets inbound plastic resins by truck. These inbound resins are already processed. Vinyl Vision loads the resin in an extruder and to make their products. Vinyl Vision's new equipment will enable the company to get bulk plastic pellets and various colored powders by rail to blend together and create its own resins. Vinyl Vision new process will eliminate the need to purchase resins from other plastic companies.

The Indiana & Ohio Railroad (I&O) currently serves the Wilmington plant where Vinyl Vision is now located and also serves Mason from its 12-mile long Monroe to Mason line. The I&O Mason line has been a marginally profitable line over the years. The new carloads that Vinyl Vision would supply would provide the I&O revenue to reinvest in the line to perform more track repairs and upgrades. The additional carloads will help this marginal line become more viable.

PROJECT DESCRIPTION

The vacant building Vinyl Vision is moving into in Mason had a rail spur that has not been used for a long time. The mainline turnout was removed but some track still remains. The Vinyl Vision spur is part of a single, two track crossing, the other track being the I&O mainline. The Vinyl Vision spur is also about 200 ft. from another crossing at State Route 741. Both Bethany Road and S.R. 741 have crossbucks and flashers that are not tied into the track and train movements. The company will rebuild the second track of the Bethany Road crossing. The total estimated rail costs, including the crossing will be $234,605. A costs breakdown for the rail construction is included as Exhibit "A." The Vinyl Vision spur when completed will store six cars on two

tracks. A diagram of the rail spur design is included herein as Exhibit "B."

WHY ORDC FUNDING IS NEEDED

ORDC offered a grant and loan package to Vinyl Vision as incentive to keep Vinyl Vision and any future expansions in Ohio. (Vinyl Vision turned down the ORDC loan.)

PROJECT BENEFITS

100 jobs retained.
30 new jobs created.
Up to 125 new carloads on the marginal I&O Mason line.

OTHER CONTRIBUTIONS

The I&O will provide rate rebates. The City of Mason will provide a tax abatement for eight years on real property, Industrial Revenue Bonds, grants of $70,000 for road work development, $30,000 for right-of-way improvements.

Submitted To: Crane Plastics
4074 Bethany Road
Mason, OH 45040
Attn: Matt Kohler
(614) 542-1118 Telephone Telefax

*** REVISED ***

"EXHIBIT A"

Number:

Page 1 of 1

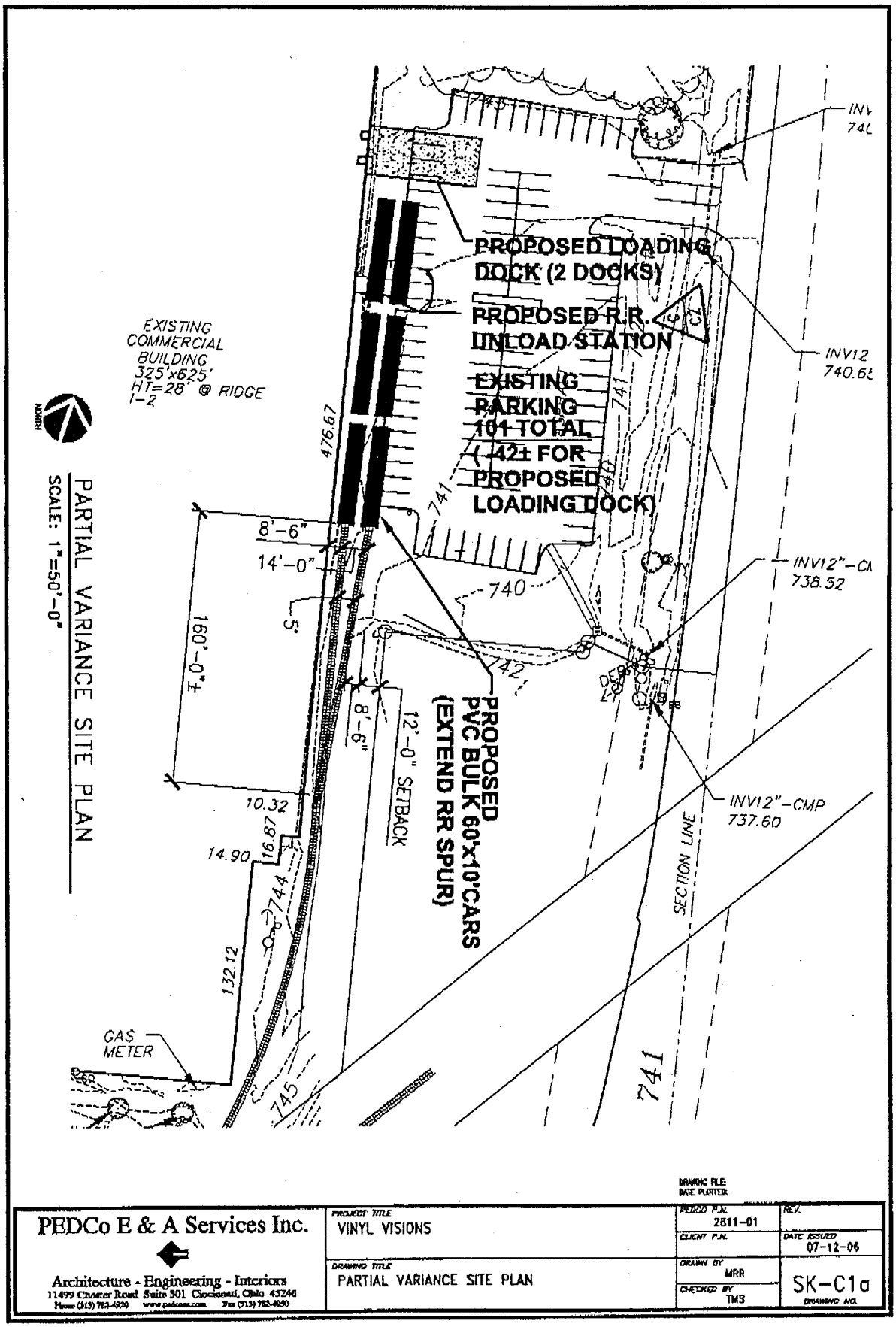
Date: 9/1/2006

ITEM NO.	ARTICLES OR SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	Railworks is please to quote the following work: **This pricing includes the prevailing wages.**				
1	Mobilization and Preliminary Engineering	1	LS	$6,920.00	$6,920.00
2	Remove Old Track, Top Soil, and Asphalt	1	LS	$6,728.00	$6,728.00
3	Install Turnout in I&O Mainline	1	Each	$40,396.00	$40,396.00
4	Construct Track	730	TF	$106.69	$77,883.70
5	Subballast	730	TF	$23.61	$17,235.30
6	Install Timber and Asphalt Crossing Surface	40	TF	$148.00	$5,920.00
7	Install Bump Post	1	Each	$2,840.00	$2,840.00
8	Install Hinge Type Derail	1	Each	$970.00	$970.00
	TOTAL FOR BASE BID				**$158,893.00**
	OPTIONAL ITEMS				
8	Install Additional Turnout - No. 8	1	Each	$37,040.00	$37,040.00
9	Construct Track, Including Removal of Top Soil & Asphalt	275	TF	$106.69	$29,339.75
10	Subballast	275	TF	$23.61	$6,492.75
11	Install Bump Post	1	Each	$2,840.00	$2,840.00
	TOTAL FOR OPTIONAL ITEMS				**$75,712.50**
	TOTAL FOR THIS PROPOSAL				**$234,605.50**
Notes:	Pricing Valid for 30 Days Pricing Excludes All Sales and/or Use Taxes Pricing Excludes All Tree and Brush Removal Pricing Based on Straight Time Work Pricing Excludes Removal and/or Relocation of Utilities Pricing Excludes Removal and/or Installation of Concrete Pricing Excludes Railroad Flagmen and RRP Insurance				

1.5% Interest per month on invoices over 10 days past due

THIS QUOTE AND ANY RESULTING SALE ARE SUBJECT TO THE ATTACHED TERMS AND CONDITIONS OF SALE

"EXHIBIT B"



DRAWING FILE:
BASE PLOTTER:

PEDCo E & A Services Inc. Architecture - Engineering - Interiors 11499 Chester Road Suite 301 Cincinnati, Ohio 45246 Phone: (513) 782-4900 www.pedcoea.com Fax (513) 782-4950	PROJECT TITLE: VINYL VISIONS	PEDCO P.N.: 2811-01	REV.
		CLIENT P.N.	DATE ISSUED: 07-12-06
	DRAWING TITLE: PARTIAL VARIANCE SITE PLAN	DRAWN BY: MRR	SK-C1a
		CHECKED BY: TMS	DRAWING NO.

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

September 14, 2006

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled Crane Plastics Company, LLC / Vinyl Vision and dated September 14, 2006 as described in that briefing.

Acting Executive Director

James E. Betts, Chairman

BRIEFING:
BRUSH CUTTING & APPRAISAL/ORDC DISPOSITION OF THE GLASS ROCK BRANCH

September 5, 2006

Project Costs		Project Benefits
Brush Cutting	**Up To$25,000**	**Helps Preserves Right-of-Way/Corridor**
Appraisal/Repair Est.	**$10,000**	**Facilitates Use of Line**

INTRODUCTION

Staff recommends spending up to $10,000 to hire a consultant (R/W Specialists) to: 1) appraise the value of the 14.8 mile long Glass Rock line (both land and track and fixtures); and 2) provide a detailed estimate of the costs of bringing the line up to FRA Class I standard. In addition, Staff recommends spending up to $25,000 to hire a contractor to cut the brush on the Glass Rock Branch. Staff would use the information garnered from the appraisal/rehabilitation estimate to help determine a course of action to pursue on the Glass Rock Branch. The brush cutting would be performed to maintain the integrity of the State owned rail line right-of-way.

BACKGROUND

RECENT HISTORY AND DESCRIPTION OF LINE

The Ohio Southern Rail Lines: In 1982, the Ohio Department of Transportation, Division of Rail (ODOT Rail) purchased 31.4 miles of railroad from Conrail for $484,000 in State funds. The acquisition included the 16.6 mile long line which runs generally north and south from South Zanesville (MP 19.4) to New Lexington (MP 36), and the 14.8 mile Glass Rock Branch. The Glass Rock Branch consists of two tracks: 1) the 3.1 mile long Fultonham Running Track which runs generally east and west from where the Glass Rock line connects to the South Zanesville to New Lexington mainline at FS (Fultonham Spur/Switch) (MP0.0) to near E. Fultonham (MP 3.1); and 2) the Z&W Running track which is the 11.7 mile extension of the Fultonham Running Track from near East Fultonham (MP 57.5) to Glass Rock (MP 45.8). A map of the entire 31.4 miles is included as Exhibit "A". The track charts of the Glass Rock Brach are included as Exhibit "B".

In 1982, the two lines had a fairly diverse traffic base which included coal, sand, cement, stone, lumber, ceramics, chemicals, and other commodities. The Moxahala Valley Railroad was the original contract operator for the State but it was replaced by an Ohio Central Railroad affiliate, the Ohio Southern Railroad (OSRR), in the 1986. Traffic on the north - south mainline dried up in the late 1980's and early 1990's. Traffic on the Glass Rock branch ceased in 1994. From 1994 until 2000, the entire 31.4 miles of State owned line was out of service but was not formally abandoned by the OSRR.

After years of marketing work, the OSRR was finally able to develop significant new traffic on the north-south line of the Ohio Southern in 1999. The Buckingham Coal Company's was able to secure contracts with AEP for enough coal to open up a new deep mine in Glouster in Athens County. However, the total rebuilding of the OSRR line between MP 19.4 at South Zanesville and MP 36 at New Lexington, including three new bridges, was needed before Buckingham coal could be moved by rail. In addition, the OSRR needed to buy, repair, and obtain trackage rights over CSX tracks in Zanesville. In all, the rail project to get Buckingham coal from Glouster to Conesville ended up costing more than $11 million. ORDC invested $3 million in grant funding and $3.5 million in loan funding to help with this $11 million project.

In recognition of the OSRR's investment of over $7 million in getting the line back in service (including the repayment of the ORDC $3.5 million loan), earlier this year ORDC sold the South Zanesville to New Lexington

line to the railroad for the net liquidation value of the line before it was rebuilt, just under $227,957. The OSRR chose not to renew its contract with ORDC to operate on the Glass Rock branch or to buy it for net liquidation value. ORDC is now left to manage the Glass Rock branch without an operator.

Glass Rock Line Condition: When rail service stopped in 1994, the Glass Rock line had just been improved. ODOT Rail had orchestrated a project which invested $947,000 in public and private funds to improve service to Central Silica, located at the end of the line in Glass Rock, and to open up new economic development potential. (At the time, OSRR was working on transloading and other business options.) Shortly after the project was completed, the Central Silica plant changed from local management to Oglebay Norton corporate management in Cleveland. Oglebay officials in Cleveland decided that the Glass Rock plant did not need rail service because trucking was more effective, a position it has maintained to the present day.

Since 1994, neither the OSRR nor ORDC invested in vegetation control on the Glass Rock branch. As a result, the line is overgrown with weeds, bushes, and trees. Some of the trees have trunks with 5" diameters. The track, however, appears to be in reasonably good condition. The 90 lb., 100 lb., and 105 lb. rail looks to be in fair condition. The track geometry, i.e. alinement, gage, and cross level appears to be acceptable. The tie condition is fair. Many of the crossings are paved over but the track is still in place under the road. One major crossing, SR 668, was torn out by ODOT with ORDC permission. ODOT agreed to put the crossing back in if the need arose.

There could be significant costs to getting the line back in service beyond cutting the brush. A detailed inspection is needed to determine these costs.

Property Management Issues

In addition to the rail line, ORDC owns a large parcel of land in the heart of East Fultonham. This parcel has some vacant land, some old yard tracks, and an old scale and scale house. The scale house could be a hazard to children who play there or for other trespassers.

At the end of the line, there is a large concrete silo which may or may not be State property. ORDC has no record of such a structure being conveyed to the State but a local citizen reports it is listed in Perry County offices as State property. The silo is reportedly in deteriorated condition.

While inspecting the line, Staff saw no evidence of off road vehicle use. The trees growing in the tracks are an effective deterrent to such use.

INVESTIGATIONS INTO POTENTIAL RAIL FREIGHT USES

Former Rail Users: The only former rail user still located along the Glass Rock Branch is the Oglebay Norton sand plant at Glass Rock. The Plant Manager there reiterated that Oglebay has no intention to ever use rail.

Coal Reserves: ORDC Staff checked with officials at the Ohio Coal Development Office and the Ohio Department of Natural Resources. These State officials knew of no coal reserves near the Glass Rock Branch but noted that local coal mining companies who operated in other places in Perry County might have knowledge of some reserves. As advised, Staff contacted Oxford Mining, and Buckingham Coal officials. They also knew of no coal reserves near the line.

Economic Development Sites: Staff surveyed the entire line going from crossing to crossing on public roads. Staff did not see anything remotely resembling a good greenfield site. There is an abandoned cement plant along the line but it is in a relatively remote area.

Staff contacted the Ohio Department of Development, the Governor's Regional Economic Development Office, and Muskingum and Perry County economic development officials. None of these officials knew of any immediate economic development potential or sites along the Glass Rock Branch which are ready for new development.

In Perry County, however, there are plans to develop a 1,000 acre site (formerly a mining operation) into some manner of industrial park. This site is located near the intersection of SR 668 and SR 204 about one half mile south of the Glass Rock Branch. SR 668 crosses the Glass Rock Branch at MP 47.8 which is two miles away from the end of the line in Glass Rock and 12.8 miles from the FS connection to the active Ohio Southern mainline. Plans are to get sewer and water out to the 1,000 acre site in the next 3 to 5 years.

Both Perry and Muskingum County officials pointed out that there are plans to build a road from I – 70 to US 22 which would eliminate the need for truck traffic to go through downtown Zanesville to places like East Fultonham. This new road will improve truck access to the Glass Rock Branch. The road project is 3 to 5 years out.

INVESTIGATIONS INTO OTHER USES

Tourist Train: The Buckeye Central Scenic Railroad has expressed interest in operating an excursion service on the Glass Rock Branch. However, while the Glass Rock Branch is scenic, it is also off the beaten path. It is not clear that a tourist operation could make a profit at this location. The new I – 70 to US 22 road might help as would the proximity to Buckeye Lake tourist activities. A larger issue is the money needed to get the Glass Rock branch track into FRA Class I condition and keep it there. FRA Class I track is the minimum allowable for any manner of passenger operation on tracks inspected by FRA. Other issues include the construction of infrastructure like auto parking areas and train storage and maintenance facilities. Further, liability insurance is a significant issue for tourist railroad operations.

Motorcar Use: The Bass Run Rail Riders have written to ORDC asking permission to use the Glass Rock branch to run their "speeders" i.e. small rail cars used by railroads for inspections or for running people and equipment to rail maintenance job sites. There are hundreds of people who own railroad motorcars who have very limited opportunities to run them. There is even a North American Rail Car Operators Association to which the Bass Run people are affiliated. Bass Run has offered to help keep the Glass Rock right-of-way clear and maintain the track to motorcar standards. Bass Run officials do not anticipate much need for upgrading the line to run motorcars once the line is cleared. Liability insurance would again be an issue. ORDC Staff has had no prior dealings or experience with Bass Run or any other motorcar groups.

Trail Use: Ohio "Rails to Trails" officials are very interested in working with local communities to determine if some manner of trail would be appropriate for the Glass Rock Branch. Trail officials noted that a non-paved trail might be appropriate if returning the right-of-way to rail service is desired.

PROJECT DESCRIPTION

Brush Cutting: Staff recommends proceeding with a limited competitive selection process to get the brush and trees along the line cut. Estimated costs will be from $1,000 to $1,500 per mile. Clearing the line would solidify the corridor as a legitimate, railbanked transportation corridor. ORDC legal counsel opines that it is not necessary for ORDC to cut the trees and brush to maintain the integrity of the corridor from those who might challenge it, but notes that such clearing work would amplify the railbanked status of the line by showing good faith in keeping the line open for potential future rail use. In addition, cutting the trees and brush would facilitate any envisioned trail, motorcar, or tourist use.

Unfortunately, clearing the line will also encourage the use of the line by trespassers, either on foot, or bikes, or All Terrain Vehicles (ATVs). ORDC would need to spend time and money putting up "No Trespassing" signs, erecting barriers to unauthorized use of the line, and other related activities. With no contract operator on the line, ORDC could need to consider some manner of liability insurance.

Appraisal and Track Rehabilitation Estimate: Staff recommends that ORDC hire R/W Specialists to perform a Net Liquidation Value (NLV) appraisal of both track and right-of-way. In addition, R/W Specialists would provide a detailed estimate for the costs of bringing the Glass Rock Branch track and bridges up to Class I standards. R/W Specialists was hired by ORDC (in conjunction with ODOT) through competitive selection processes for both the Panhandle and Piney Fork appraisals. Cost of the Glass Rock work would be $10,000.

WHY ORDC FUNDING IS NEEDED

ORDC no longer has a contract operator for the Glass Rock Branch. Property management and the ultimate disposition of the property are ORDC's sole responsibility.

PROJECT BENEFITS

Cutting the brush on the Glass Rock Branch is a necessary prerequisite to any transportation use of the line. Further, it maintains the integrity of the line as a transportation corridor.

The appraisal and track rehabilitation estimate will provide ORDC the tools needed to help decide what to do with the Glass Rock Branch.

OTHER CONTRIBUTIONS

None.

SPECIAL CONTINGENCIES

Staff views the track rehabilitation estimate and appraisal work as tools to use to make a decision as to the ultimate disposition of the Glass Rock Branch. Options for the line include:

1. ***Continue Railbanking; leave track in place and continue to manage rail line and right-of-way:*** This option would require ORDC to pay the costs of property management which could include weed spraying, sign maintenance, limited gating, barriers, and fencing to limit off road vehicle trespassing, liability insurance (if needed), and related costs. This course of action would well preserve the option of reinstituting rail freight service on the line if it were needed because the costs of rebuilding the track would likely be much less with track in place than without.
2. ***Continue Railbanking; leave track in place and continue to manage rail line and right-of-way in conjunction with motorcar group:*** This option is the same as Option 1 above except that ORDC could seek some help with weed spraying, signage, and barriers from a motorcar group. The liability issue would need to be addressed, especially considering that road crossings would have to be reinstituted for the operation of the motorcars.
3. ***Continue Landbanking; scrap out track and continue to manage right-of-way only:*** This option would require much of the same property management as Option 1. However, ORDC could realize several hundred thousand dollars in funds from scrapping the line. (Rough Guess: $200,000 to $300,000 if bridges left intact.) Rebuilding the line if rail freight service were needed would be more expensive than if track were left in place.
4. ***Pursue Tourist Operation:*** This option would keep the rail line in tact and operation and ready for any freight rail related development. Staff would work with potential tourist operations to find resources to

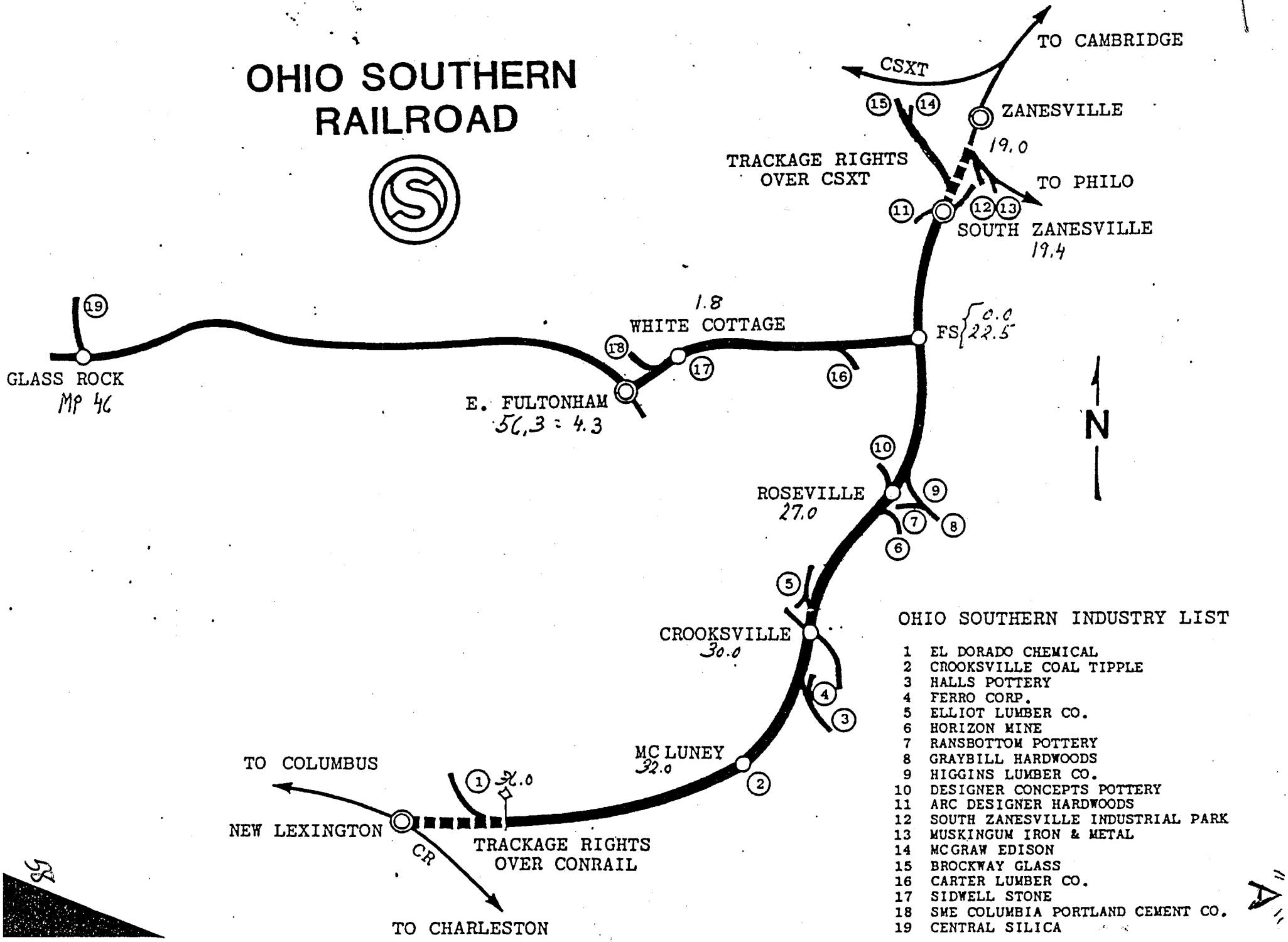
make the operation successful. This option could require ORDC to spend a significant amount of money to fund track improvements. The tourist operation itself might need to be subsidized by some outside source. Staff would also need to work with local officials to determine local support and any development opportunities. The tourist operator would need to handle liability issues.

5. ***Pursue Trail Operation; scrap out track and seek interim trail use:*** This option could allow ORDC to realize several hundred thousand dollars from scrapping the line and would avoid most of the property management issues as the trail sponsor would be responsible for property management. Rebuilding the rail line if it were needed for rail freight use would be more expensive than if track were left in place and there might be some need to compensate the trail sponsor for loss of trail use or relocating the trail. There could be some tourist related economic development along the line due to people from outside the area spending money in communities near the line. It is likely that ORDC would need to formally abandon the line through the Surface Transportation Board to take advantage of the federal "Trails Act" which would protect against reversionary actions by adjacent landowners.

Staff would further investigate these options once the track rehabilitation estimate and appraisal are completed.

W/MyFiles/CommissionBriefings/GlassRockBrief

OHIO SOUTHERN RAILROAD



OHIO SOUTHERN INDUSTRY LIST

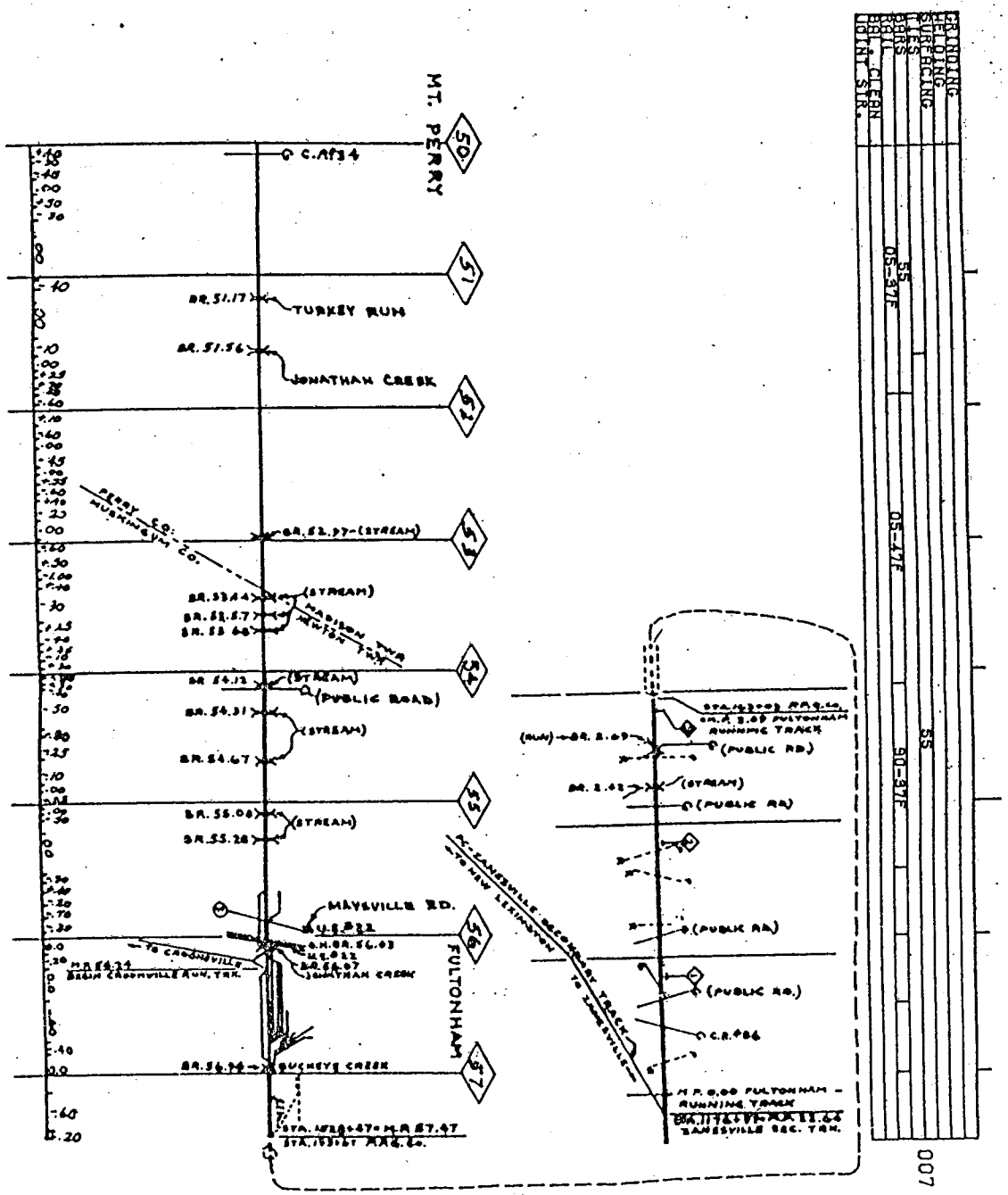
1 EL DORADO CHEMICAL
2 CROOKSVILLE COAL TIPPLE
3 HALLS POTTERY
4 FERRO CORP.
5 ELLIOT LUMBER CO.
6 HORIZON MINE
7 RANSBOTTOM POTTERY
8 GRAYBILL HARDWOODS
9 HIGGINS LUMBER CO.
10 DESIGNER CONCEPTS POTTERY
11 ARC DESIGNER HARDWOODS
12 SOUTH ZANESVILLE INDUSTRIAL PARK
13 MUSKINGUM IRON & METAL
14 MCGRAW EDISON
15 BROCKWAY GLASS
16 CARTER LUMBER CO.
17 SIDWELL STONE
18 SME COLUMBIA PORTLAND CEMENT CO.
19 CENTRAL SILICA

"B"

THERN REG. Z.& W. RUNNING TRK. MP 40.0-MP 50.0 8-1-39

59

09



ITHERN REG. Z.& W. RUNNING TRK. MP 50.0-MP 57.5 8-1-39